The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, JULY 4, 1931 VOLUME 57, NUMBER 5

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57-197

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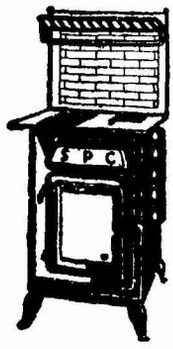

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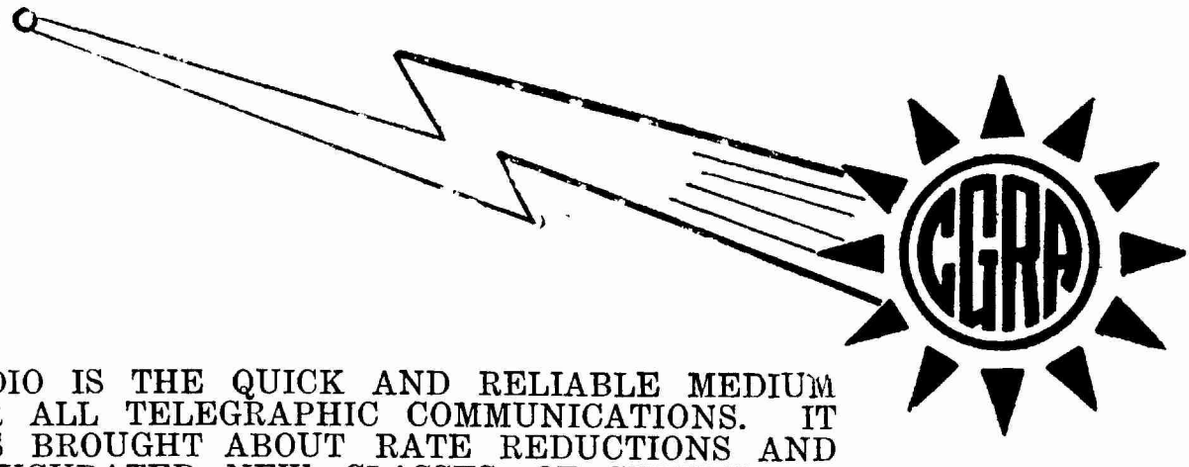

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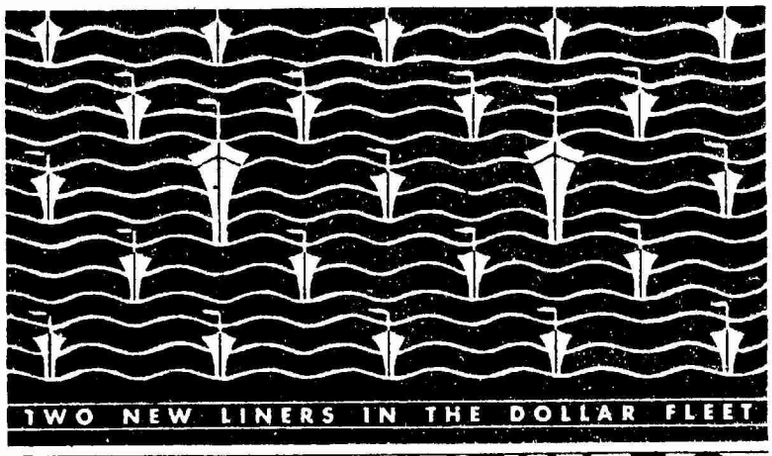

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Tinned Plates, Plain...	*Pls.*	374
Cement	,,	1,896
Grease Lubricating, Mineral	,,	469

Indigo Paste, Artificial:

20 per cent. strength.	,,	247
Milk, Condensed	,,	38
Starch	,,	1,416
Tobacco, Leaf	,,	2,183

EFFNA, April 30.

(Agents: Lloyd Everett, Incorporated.)

From U. S. of America

Carbon Black	*Pls.*	176

Cotton, Raw:

American ..	*Bls.* 1625	,, 5,723
Grease	,,	273
Wax, Paraffin	,,	2,122
Oil, Kerosene, in Case	*Galls.*	10,000
,, ,, ,, bulk...	,,	10,823
,, Lubricating, Mineral	,,	64,475

TEXAS, April 30.

(Agents: States S. S. Co.)

From U. S. of America.

Timber, Softwood:

Merchantable	*Sup ft*	482,489
Ordinary, Sawn	,,	1,002,278

BORGESTAD, May 1.

(Agents: Canadian Trading Co.)

From U. S. of America.

Timber, Softwood:

Ordinary, Sawn ...	*Supft.*	1,104,900
Merchantable	,,	273,220
Railway Sleepers	*Pcs.*	1,567
Laths	*Mille*	80

CHICHIBU MARU, May 1.

(Agents: Nippon Yusen Kaisha)

To U. S. of America.

Silk, Raw, Steam Filature:

White, Shanghai	*Bls* 20 *Pls.*	19.94

Silk, Raw, Re-reeled:

White, Soochow	*Bls* 24 *Pls.*	24.60
Tea, Black, other kinds, Hankow	*Pls.*	70
Egg Yolk, Dried	,,	548
Hair, Human	,,	102
Seed, Sesamum	,,	8,786
Wool, Sheep's	,,	251
Skins, Weasel, with Tails, Untanned	*Pcs*	2,000

PRESIDENT CLEVELAND, May 1.

(Agents: Robert Dollar Co.)

From U. S. of America

Cotton, Raw:

American...	*Bls.* 1,900 *Pls*	3,603

Iron and Steel, Ungalvanized:

Tinned Plates, Plain...	,,	840
Hides, Cow	,,	53
Oranges, Fresh	,,	25
Newspapers, Old	,,	3,342
Soda Ash	,,	840
Shrimps, Dried	,,	243
Saccharine	,,	30
Oil, Lubricating, Mineral	*Galls.*	10,569
Coffee	*Lb.*	2,422
Lemons, Fresh	*Mille*	134
Motor-cars	*Pcs.*	5

Rubber Tires, Pneumatic:

For Motor-cars	,,	806

Rubber Inner Tubes:

For Motor-cars	,,	579

Treasure:

Silver Bars	*G Units*	488,159

NANSENVILLE, May 2.

(Agents: O. Thoresen & Co.)

From U. S. of America.

Asphalt	*Pcs.*	4,367
Flour, Wheat	,,	485
Grease, Lubricating, Mineral	,,	114
Oil, Kerosene, in bulk	*Galls.*	500
,, Lubricating, Mineral	,,	73,736
Cigars	*Mille*	3

Timber:

Softwood:

Ordinary, Sawn	*Sup ft*	221,967
Logs, Hardwood	,,	102,433
Railway Sleepers	,,	1,085,904

DEFIANCE, May 2.

(Agents: American Pionner Line.)

To U. S. of America

Antimony, Crude	*Pls*	210
,, Regulus	,,	1,260
Bristles	,,	50
Brassware	,,	40
Cotton Waste	,,	575
Nutgalls	,,	84
Oil, Wood	,,	4,505
Seed, Sesamum	,,	14,705
Wool, Sheep's	,,	1 379
Skins, Goat, Untanned...	,,	2,288
,, Deer	*Pcs.*	2,004
,, Doe, Untanned...	,,	7,991

PRESIDENT LINCOLN, May 4.

(Agents: Robert Dollar Co.)

To U. S. of America.

Silk, Raw, Steam Filature:

White, Shanghai	*Bls* 70 *Pls.*	69 78
Yellow, Tsingtao	,, 85 ,,	82.01
Silk Piece Goods	,,	1.15
Tea, Black, other kinds, Hankow	,,	54
Egg Albumen Dried	,,	234
,, Whole Egg,	,,	17
,, Yolk, Dried	,,	696
Intestines, Pig, Salted	,,	38
,, Sheep, ,,	,,	58
Rhubarb	,,	25
Wool, Sheep's	,,	698
Walnuts, Kernels	,,	89
Skins, Kid, Untanned ...	*Pcs.*	6,200
,, Lamb, ,,	,,	8,865
,, Mole, ,,	,,	5,000
,, Raccoon, ,,	,,	700
,, Sheep, ,,	,,	1,500
,, Weasel, ,,	,,	18,050

TAISHAN, May 6.

(Agents: Dodwell & Co.)

From U. S. of America.

Cotton Shirtings, Corded	*Pcs.*	191

Rubber Tires, Pneumatic:

For Motor Cars & Trucks	,,	582
Typewriters	,,	53
Cotton Piece Goods, Grey	*Yds.*	40,551
,, Embroidery, in Skeins	*Pls.*	22

Iron and Steel, Ungalvanized:

Sheets	,,	33
Tinned Plates Plain...	,,	150
Asphalt	,,	5,238
Grease Lubsicating Mineral	,,	345
Gum, Unclassed	,,	11
Leather, Kid	,,	2
Soda, Bicarbonate of	,,	630
Starch	,,	1,040
Sugar of Milk	,,	253
Sulphur Black	,,	326
Tobacco, Leaf	,,	2,770
,, Stalk	,,	3,933
Wax, Paraffin	,,	1,862
Baking Powder	*Doz.*	316
Oil, Lubricating Mineral	*Galls.*	35,400
,, Unclassed	,,	105

PRESIDENT MADISON, May 6.

(Agents: Robert Dollar Co.)

From U. S. of America.

Milk, Evaporated	*Pls.*	156
,, Condensed	,,	27
Paper, Printing (Wood free)	,,	3,247
Wood Pulp, Chemical ...	,,	352

Timber, Softwood:

Ordinary, Sawn...	*Sup ft.*	499,832
Motor-cycles	*Pcs.*	8
Motor-cars	,,	4

SILVERWILLOW, May 6.

Agents: Glen Line Eastern Agencies, Ltd.

From U. S. of America.

Aluminium-foil	*P.s.*	17
Aluminium Sheets	,,	19
Petrolatum	,,	457
Starch	,,	462
Sulphur Black	,,	683
Tobacco, Leaf	,,	4,266
Dyes, Aniline	*Pkgs.* 94 *G. Units*	4,818

GENERAL METZINGER, May 7.

Agents: Cie des Messageries Maritimes.

From U. S. of America

Cotton, Raw	*Bls.* ..150 *Pls*	554

TSUYAMA MARU, May 7.

(Agents: Nippon Yusen Kaisha)

To U. S. of America.

Silk, Raw, Steam Filature:

White, Shanghai	*Bls.* 20 *Pls.*	19 90
Silk Pongees, Shantung..	,,	3 36
Egg Albumen Dried	,,	210
,, Yolk, Dried	,,	182
Antimony Regulus	,,	840
Bristles, Assorted	,,	89
Intestines, Pig, Salted	,,	29
,, Sheets, ,,	,,	42
Oil, Wood	,,	131
Skins, Goat, Untanned...	,,	1,598
,, Doe, ,, ...	*Pcs.*	5,000
,, Lamb, ,, ...	,,	2,000
,, Rabbit, ,, ...	,,	10,000

MENESTHEUS, May 8.

(Agents: Butterfield & Swire.)

From U. S. of America.

Grease	*Pls.*	28
Sulphur Black	,,	561
Tobacco, Leaf	,,	2,877
Wax, Paraffin	,,	1,262
Hats, Panama	*Doz.*	14
Oil, Lubricating, Mineral..	*Galls.*	28,121
Dyes, Aniline	*Pkgs* 114 *G. Units.*	7,629
Motor-cars, Parts of	,,	2,226

NICOLINE MAERSK, May 9.

(Agents: Melchers & Co.)

From U. S. of America.

Woollen Piece Goods	*Yds.*	56
Cotton ,, ,,	,,	134

Iron and Steel, Ungalvanized:

Scraps	*Pls.*	420
Strips	,,	747
Tin Plate Cobbles	,,	367
Tinned Plates, Decorated	,,	28
Tinned Plates, Plain..	,,	2,760

Iron and Steel, Ungalvanized:

Wire Shorts	,,	2,468
Ink, Printing	,,	33
Paper, Boxboard	,,	3,117
,, Bank-note	,,	32
,, Chipboard	,,	412
,, Writing	,,	12
Resin	,,	368
Stone Powder	,,	15
Sugar Milk	,,	202
Tobacco, Leaf	,,	2,753
Oil, Lubricating Mineral	*Galls.*	3,675
Paint	,,	64
Motor Cars and Trucks, Parts of	*G. Units*	3,918
Machinery	,,	2,451

GOLDEN SUN, May 11.

(Agents: States S. S. Co)

To U. S. of America

Cotton Rags	*Pls.*	2,542
Egg Albumen, Dried ...	,,	157
,, Yolk, Dried	,,	15
Hair, Human	,,	204
Seed, Sesamum	,,	45,087

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The China Weekly REVIEW

Formerly Millard's Review

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CONTRIBUTING EDITORS

C. Y. W. MENG DANIEL J. LEE
CHAS. A. DAILEY (Peiping) TRYPHON KU
EVA CHANG (Nanking) CHANG YA-CHUEN
S. C. YANG (Harbin) MARK M. LU (Honan)
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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

HELP FOR REST OF WORLD: WHY NOT FOR CHINA?

THE newspapers have been filled for many days with reports and discussions pertaining to President Hoover's recommendation for a year's moratorium on war debts as a means of relieving the world economic depression. The British Government has given the scheme wholehearted approval and has offered to extend the moratorium on government debt payments to all British colonies. Japan and Italy have approved the plan, as has Germany, and while France has offered objection and apparently will submit a counter-proposal, it seems likely that something constructive may be accomplished. President Hoover, according to a recent cablegram from Washington, has also proposed that South American countries which are not affected by the moratorium on war debts, may be assisted by credits extended from the U.S. federal treasury in the event private loans are not forthcoming. The general effect of President Hoover's proposal has been to create a better psychological feeling throughout the world, the optimism being evidenced in increased activity on the world's stock exchanges. In China the improvement has been evidenced in a considerable increase in the value of silver exchange. All of the arguments for improving economic and financial conditions throughout the world have a special application to conditions in China, hence the hope that China may also receive attention in the general discussion which is now taking place on the matter of improving world economic conditions. Due to prolonged political and economic complications in China this country has not, until recently, received any serious attention from the world's financial leaders, China's status on Wall Street being little above that of Soviet Russia. Owing to the complications occasioned by the drop in the value of silver, the silver producers and political interests affiliated with them, have been forced to pay some attention to China. This interest on the part of the silver producers and their political associates has not been occasioned entirely by any overwhelming desire to help China, but by a realization that their interests were so bound up with China that something had to be done to save China as a means of also saving themselves. Unfortunately the silver problem has been complicated by international political and financial controversies dealing with the "silver versus gold" question,

but present indications seem to point toward an automatic solution of the silver problem through improvement of the world economic situation as a result of the Hoover proposal. The presence of a number of "silver" senators and representatives in China this spring who have been familiarizing themselves with political and economic conditions, should assure some attention being paid to China's case when Congress begins consideration of the recent Hoover proposal for a general war-debt moratorium.

COL. ROOSEVELT MAY BE NEXT GOVERNOR OF PHILIPPINES

PHILIPPINE politics once more loom large and according to a Washington telegram recently published in the *Kansas City Star* Col. Theodore ("Young T. R.") Roosevelt, at present governor of Porto Rico, may shortly be appointed governor general of the Philippines, in succession to Col. Dwight F. Davis, who has expressed a desire to retire to private life. The post of governor general at Manila is more and more becoming a difficult post to fill, principally for the reason that the ferment of racial consciousness which has characterized all the peoples of Asia in recent years, has given added impulse to the Philippine independence movement. The Philippine independence movement is receiving strong support from powerful business and agricultural interests in the United States, whose industries have suffered considerably from the competition of Philippine products, which, under existing conditions, come into the country free of charge. Then also the Filipinos, because of their status as wards of the United States, have been allowed to enter the United States freely, creating serious complications in the labor market, particularly in its lighter forms, on the Pacific coast, with the result that a large section of the American laboring public favors giving the Philippines their independence, not because they are interested in the subject primarily as such, but for the selfish reason that if the Philippines are freed, Filipino immigration will be restricted, the same as the case with all other nationalities.

In connection with the reported forthcoming appointment of "Young T. R." it will be recalled that his cousin, Nicholas Roosevelt, was to have become vice governor of the Philippines several months ago, but the Filipinos raised so much objection to his appointment, owing to slighting references to the Filipinos which he had made in a book on the Philippines which he had written, that president Hoover appointed him to a diplomatic post in Europe instead. Colonel ("Young T.R.") Roosevelt during his governorship of Porto Rico, has won the friendship of the native population, and it is stated that the independence movement there has lost some of its impetus since he has been governor. In the U.S. congress to meet next winter, a drive will be made to put through a resolution for Philippine independence. This as mentioned above, will be supported by business and agricultural interests which desire to bar from America the cheaper Philippine products. Reports have reached Washington that the independence movement among the Filipinos has been losing force, but the resident commissioners a few weeks ago said differently. The administration is understood to favor ultimate independence, but has set no date. President Hoover undoubtedly would like to have as governor-general during the renewal of the independence fight in congress someone thoroughly familiar with problems confronting the people in the islands which America acquired after the Spanish war. Colonel Roosevelt had previously been prominently mentioned as a candidate for the vice presidency. It has not yet been definitely stated when Col. Dwight F. Davis, the present governor general at Manila, will retire, but it will probably be in the near future. Owing to ill-health, Mrs. Davis never joined her husband in Manila.

SERIOUS DANGERS INVOLVED IN "INCIDENTS"

IF an American and a Chinese engage in a street fight in San Francisco, Los Angeles or New York the result is usually nothing more than a police-court case and a few lines in the local newspapers, but if an American and a Chinese have a squabble in Shanghai the case usually becomes an "incident" and may be telegraphed over the world by foreign correspondents. It is not our purpose to attempt an involved explanation of the reasons why fights between Chinese and foreigners at Shanghai are almost always rated as "incidents," while similar affairs in other parts of the world are rated as minor police court cases, but such is the situation nevertheless. Recently Shanghai has experienced a number of such "incidents," none of which would have attracted any particular attention elsewhere in the world, but since they occurred here they have attracted attention. That there are dangers involved in these incidents goes without saying. On Tuesday of this week the officers of the U.S. Marine regiment stationed in Shanghai conducted a hearing in the case of three Marines who were involved in a fight with some Chinese last May. Two Chinese received knife wounds and since have been in the hospital. According to the original report in the local newspapers the fight started when a Marine dropped his hat in the street, said hat being seized by a Chinese youth who allegedly attempted to make off with it. The marine chased the boy; a mob was formed; more marines came to the rescue and the result was an "incident." Last week a Chinese tailor attempted to collect a bill for $30 which was owed him by an American woman. An altercation developed over a check, which the woman had given the tailor, but which, for some technical reason the tailor had been unable to cash. According to the report which was published under two-column headlines in the local official British organ —incidentally the same sized headline which the editor put over the report of President Hoover's debt-moratorium proposal—the Chinese tailor summoned to his assistance two Chinese policemen who "broke" into the house of the American woman. The woman, in the meantime however, had slipped out the back door and summoned police assistance from the International Settlement. As a result the area about the home of the American woman shortly became an armed camp with two rival groups of police, one led by Chinese and the other by a Britisher. A scuffle

ensued in which one of the Chinese police was shot through the arm. Thus was an "incident" created, the international phases of the situation being aggravated due to the location of the American's house on a road which is under dispute between the foreign settlement and the adjoining Chinese-administered area. Incidentally, the Chinese tailor did succeed in collecting his bill, although we imagine he lost a customer in the process.

These incidents are typical of frequent happenings in Shanghai, their occurrence indicating the more or less tense feelings which exist between foreigners and Chinese. Many of the incidents have to do with scraps between Chinese and members of the foreign armed forces stationed here, this being a more or less natural situation where armed forces are stationed on alien soil whether in China, Nicaragua, Germany India or elsewhere. How these incidents start may be illustrated by a recent occurrence: a foreign sailor under the influence of intoxicants attempted to get into a private motor car, his muddled brain apparently leading him to think it was a public taxicab. The Chinese chauffeur, who happened to be employed by a foreigner protested at the actions of the sailor and was beaten up for his pains. Other chauffeurs collected and an incident was in the making and probably would have occurred had the owner of the car not appeared on the scene and settled the case by direct action; he chased the sailor down the street and back into the saloon where the sailor had obtained his supply of intoxicants that was the original cause of the trouble. The dangers involved in these incidents should be apparent to all thinking persons. Individually they usually are unimportant, but collectively they produce an adverse effect on public opinion abroad. It was the frequency of serious incidents in Nicaragua that led to the withdrawal of the American Marines from that distressed country. A somewhat similar situation is likely to develop in China, the reason being that the public abroad cannot be expected to understand all of the underlying reasons for these clashes between foreigners and natives. Also they cannot be expected to understand the international political reasons for the stationing of armed forces on alien soil. All they know is what they read in the newspapers about the clashes and their natural reaction is that the best way to avoid the clashes would be to withdraw the foreign forces. That the more or less "deadlocked" situation existing in China's relations with the Powers on the extrality and concession questions, makes the situation worse is an obvious conclusion. Hence the high necessity for all foreigners, whether civilians or service-men, to exert their best efforts to prevent the development of "incidents," whether over tailors' bills or what-not!

Frenchtown Gambling Squabble Ends—Wheels Whirr Again

The squabble among the proprietors of foreign gambling houses in the local French Concession apparently have been adjusted, for a report in the Chinese newspapers stated that the big house on Route Ferguson was running full blast on last Saturday night with nearly 200 foreigners present. Another house on Route Corneille which was closed for a time, is shortly to reopen in another place, according to the report, which stated that it probably would reopen somewhere in the vicinity of Avenue Haig and Route de Sayzoong. A further house is said to be operating on Route Cardinal Mercier, while another establishment known as a "club" in this same vicinity has been fitted up for various types of card games. One gambling house on Route Grouchy, allegedly operated by a foreigner who has strong financial backing from Chinese, has never been closed and is said to have capacity attendance every evening. Most of these places are conspicuous on account of the large number of motor cars which are ranked in the streets outside even late in the mornings.

Gen. Aguinaldo Wants Independence—Also 15 Years Free Trade

China and Japan figured prominently as the natural markets for Philippine products in a proposal for the independence of the Philippines made by General Emilio Aguinaldo, the revolutionary leader, published at Manila June 25 following a conference with Senator Arthur R. Robinson. General Aguinaldo told Senator Robinson that the United States should grant independence immediately, but should remain in the Islands for five years in a supervisory capacity. He suggested that free trade should continue for ten years after the withdrawal of America, making a total of 15 years free trade after granting independence.

A Frenchman Argues for Japanese Military and Political Control of China

DR. A. LEGENDRE, French military-medical officer for several years connected with the French military hospital at Chengtu, Szechuen province, but now residing in France has recently written a most exhaustive article advocating the military and political control of China by Japan. The article appeared in the *Mercure de France*, Paris Literary and Political Semimonthly publication, from which it was translated into English and reprinted in the June issue of *The Living Age*. This article which argues the political impotency of China is not the first by this same Frenchman: two years ago he wrote a book that created considerable interest in European political circles due to Dr. Legendre's attempt to prove scientifically that the Chinese are a decadent, inferior race fit only to be kept in colonial subjection.

Considerable significance attaches to Dr. Legendre's article advocating the Japanese political and military control of China due to recent allegations from Nanking that there is in existence a Franco-Japanese alliance or understanding for the purpose of resisting China's nationalistic aspirations, particularly in respect to the abolition of exterritorriality and rendition of concessions. Dr. Legendre's article occupies some sixteen columns of space, hence is too long for reproduction, but it begins with a detailed analysis of the military situation at the beginning of the present year. Gen. Chiang Kai-shek's military successes last year against the Northern Coalition composed of Yen Hsi-shan and Feng Yu-hsiang were due entirely to the German General Staff which has replaced the Bolshevist officers who served with the National armies

prior to 1927. The German officers are the brains; Gen. Chiang Kai-shek is only the tool, in the opinion of Dr. Legendre, who claims that the Northern Chinese, despite their quarrels among themselves, will never permit the Southerners "to bring misery and disaster to Northern China." That was why Marshal Chang Hsueh-liang appeared on the scene. Except for Northern China, all the country is in a state of anarchy and why the Powers, particularly America and Britain support the Nanking Government is difficult for this Frenchman to understand "except on the basis that they see everything in China upside down."

As to the political situation in the North, Dr. Legendre claims that Marshal Chang and Yen Hsi-shan have a secret agreement, but Feng Yu-hsiang is in alliance with Moscow and is still sufficiently powerful to "exploit the situation in Northern China as he pleases." The growth of banditry in the North is keeping pace with the growth of Communism in the South. In regard to the Communist situation, these agents of Moscow together with the bandits "now number at least five millions." Gen. Chiang Kai-shek's failure to suppress the Reds is proved in his decision to utilize the services of a number of Feng's divisions which he (Chiang) "bought over" during the course of the fighting along the Yellow river last year. The author expresses the opinion that Feng still has sufficient loyal troops to organize a peasant uprising in the North when the psychological time arrives. The year 1931 will witness a resumption of civil war that will be "more bloody and more ruinous than the one that occurred in 1930," and the Nationalist faction "would collapse tomorrow if it were not supported by foreign countries, the United States in particular."

We now come to this French military officer's remedy: China is in a state of complete decay and the prospect of the Bolshevization of this enormous nation seems an only too imminent possibility. What is the best counterpoise to the growing menace of Moscow? "Japan, without a doubt." Japan alone is the nation which can erect an effective barrier against the Bolshevist assault on China. But Japan cannot proceed successfully unless it maintains itself solidly in Manchuria, which is like a little fort protecting Northern China and Korea. The Soviets are rapidly extending their power along the Chinese Eastern Railway. Moscow is more Tzarist in Asia today than it was under the Tzars. The Russians are solidly installed in Mongolia and are imposing their will on Urga, its capital. Bolshevist Russia is installing itself and digging itself in all along the Chinese frontier, seeking mastery over China's communications and strategic centers. Japan is the only answer to this menace. Japan is intent upon a plan of railway construction in Manchuria that will checkmate the Soviet plans for mastery of continental Asia. Indeed, China is incapable of holding Russia in check in Manchuria and thus protecting Korea. Only Japan is able to do this, and in protecting itself it is also protecting China. There is no doubt at all that Japan is assuring world peace by blocking the assaults of Moscow.

But Japan cannot perform this service without assistance from the West. Japan's "only recent energetic action was the intervention in Shantung" but unfortunately the Tokyo Government was too anxious about foreign opinion and above all American opinion and withdrew its troops too soon." The reasons that Japan withdrew from Shantung before teaching China a lesson were due to agitations raised "by all the little religious and pacifist groups in America who have always opposed Japan and all the Socialist committees in Europe and all our leagues for the rights of man who constantly raise their voices in denunciation of Japanese imperialism, ignoring its real aims." In Dr. Legendre's opinion nothing will cure these American religious fanatics and European Socialistic maniacs. These dogmatic humanitarians "are interested only in the most questionable element in China, the young politicians without plans or conscience, tyrants who know how to talk the jargon of democracy and thus spread illusions about themselves." As a result, Japan, having been called imperialistic by all the democrats in Europe and America, now feels itself isolated...Does the great American republic, whose hostility to Japan has been made all too obvious in recent years...want to extend its hegemony to the Far East?...Does America, in paying court to Young China, want to repulse Japan and compel that country to ally itself with Moscow and Berlin?"

"Such is the dangerous situation that menaces the peace of Asia and threatens fatal repercussion in Europe, especially since collusion between Germany and Russia in the Far East has been unmistakably revealed in recent years...Suppose the Powers had had the courage to give Japan a mandate to re-establish order in China. A whole era of civil war, massacre, and ruin would have been avoided. Millions of poor Chinese, chiefly peasants, would not have died in battle or from starvation, and the economic crisis would be less acute throughout the world. But if such a mandate had been given to Japan think of the clamor from the professional pacifists and Christian democrats, especially in America...But the Monroe Doctrine is as applicable to Japan as to the United States, and in the East it could harm only the most dangerous enemy of peace, the Bolshevik. There is therefore no other policy at the present time than to support Japan in its difficult labors..."

As stated in the foregoing this article by Dr. Legendre, which probably coincides with a considerable section of French opinion, indicates that Nanking's suspicions of a Franco-Japanese understanding probably have some basis in fact. In many respects Japan and France are in the same boat from the standpoint of dangers from the rising tide of nationalism in Asia. Neither Japan nor France have any respect for American and British policies in compromising with nationalistic movements in the Far East. France has labeled all nationalistic inclinations of the Indo-Chinese as Communistic and has suppressed them with a ruthlessness unexampled in modern colonial administration. Japan has followed a somewhat similar course in respect to Korea and Formosa. Both Japan and France have regarded with intense disgust the tendencies of America and Britain to compromise with nationalistic movements in the Philippines and India and have regarded with even greater disgust the Anglo-American tendency toward a recognition of Chinese nationalism. The Japanese and French are

the only two foreign countries who still hold concessions in Central China, at Hankow. And despite her promises at the Washington Conference in 1921-1922, France has not surrendered control of the Kwangchow leased territory on the South China coast, the apparent reason being that if France surrendered her control of the Kwangchow peninsula it would leave Japan in an isolated position as the sole foreign controller of leased territory on the China coast, the Kwantung peninsula of South Manchuria.

The recent tendency (since 1922) of France and Japan to cooperate in the Far East has thus brought about a curious alignment of the Powers in this part of the world. As Dr. Legendre indicated in his article, there is a tendency for Germany and Russia to cooperate, but obviously not on political grounds as Germany hates Communism as enthusiastically as do other capitalistic countries. But in order to develop certain phases of German business in China, such as aviation and continental railway construction, it is necessary for Germany and Russia to cooperate. Thus with France and Japan, Germany and Russia disposed of, it leaves America and Britain also more or less in alignment on the China question, these two nations as Dr. Legendre more or less disgustedly points out being the sole supporters and defenders of Chinese nationalism. At the recent meeting of the Council of the League of Nations, it was noticeable that the proposals for increased League activities in China received the support of the Japanese and French representatives and that Japan and France again unitedly supported certain proposals at the recent Geneva conference on limitation of narcotics. American newspapers were quick to sense French influence behind the more or less sudden interest of the League in China affairs and to suggest that the League's interest was motivated by a French desire to offset supposed American diplomatic interest in the Chinese situation.

Canton Contemplating War Declaration Against the Central Government

Gen. Chiang Kai-shek, in his first public address at Nanchang on June 29 declared that corruption and inefficiency in the ranks of the Kuomintang Party had largely been responsible for the growth of Communism in Kiangsi province. He declared that the existence of the Party was unnecessary unless the members were prepared to fight for public welfare and advancement. Gen. Chiang stated that he would not leave Kiangsi until the Communists had been suppressed.

THE so-called Canton Movement apparently has developed to the point where a definite declaration of war against the Central Government may shortly be issued, according to latest reports from Canton, which state that such a declaration is actually being prepared. Gen. Chen Chi-tang, head of the Canton military forces, who is really the dominant figure in the Canton Movement apparently has been forced into a position where he considers a war declaration necessary in order to prevent further defections on the part of his troops. According to reports from Canton on June 24 two brigades of Gen. Chen Chi-tang's troops stationed at Shekchang on the outskirts of Canton rebelled and while some of them were later disarmed, others are still holding out on the railway which runs northward from Canton to the Hunan border. The chief cause of uneasiness in the military camp at Canton has been due to the plans of the Canton politicians to bring the Kwangsi rebel forces and so-called "Ironside" troops into Kwangtung province. For the past two years Gen. Chen Chi-tang's Eighth Route army composed of Cantonese troops has been engaged in a war against the Kwangsi rebel troops and Ironsides; hence the sudden decision of the Canton political leaders to make peace with the Kwangsi generals and bring their forces into Kwangtung has had the inevitable effect of causing serious discontent among the Cantonese forces. A further cause of military uneasiness at Canton has been the decision of the 19th Route Army, also composed of Cantonese, to support the Central Government. Latest reports from the South indicate that a considerable portion of the 19th Route force has entered northern Kwangtung province. Although announcedly engaged in the anti-Communist campaign, it appears that Gen. Chen Ming-hsu, commander of the 19th Route army and formerly chairman of the Kwangtung provincial government, is bringing strong political pressure against Gen. Chen Chi-tang in an effort to adjust the Canton situation. Telegrams from Canton in recent days stated that Gen. Chen Ming-hsu had telegraphed to Chen Chi-tang suggesting a continuance of the peace negotiations on the basis of an elimination of the so-called Ku Ying-fan clique from the Kwangtung provincial government; a re-establishment of the Kwangtung Peace Preservation Corps which was disarmed by Gen. Chen Chi-tang; and that Canton resume the financing and munitioning of the 19th Route army.

Should the pressure which Gen. Chen Ming-hsu is now bringing against Gen. Chen Chi-tang succeed, it probably would have the effect of causing a collapse of the much advertised Canton "National Government," because the new opposition administration which has been created in the South is nothing more nor less than political and propaganda trimming for Gen. Chen Chi-tang's independence movement, the motive for which was the control of Kwangtung province and the revenues thereof. The trouble at Canton which had been developing for a considerable period, was primarily concerned with rivalries between the two Chens for the control of Kwangtung provincial revenues. Taking advantage of the Central Government's transfer of Gen. Chen Ming-hsu's 19th Route army to Kiangsi province in connection with the anti-Communist campaign, Gen. Chen Chi-tang staged his coup d'etat and seized control of Kwangtung province. In order to strengthen his position politically, Gen. Chen invited various disgruntled Kuomintang politicians to Canton to form a "government," his motive being to give the Canton Movement an appearance of political legitimacy. In this sense, the Canton Movement has been a repetition of

the experiences in Peiping last year when the Northern militarists Yen and Feng invited various disgruntled politicians to the ex-Capital for similar purposes. But in taking this action Gen. Chen Chi-tang was forced to bring into his camp certain discordant elements which could not be reconciled. Gen. Chen Chi-tang hoped to be able to hold Canton for himself, while inducing the Kwangsi rebel forces and Ironsides to invade Hunan and Kiangsi provinces. But neither the Kwangsi forces or the Ironsides were interested in engaging in a war against the Central Government's forces as a means of consolidating Gen. Chen Chi-tang's position in Canton. The chief ambition, of the Kwangsi forces and the Ironsides has been to obtain control of Canton for themselves and their political associates, hence their apparent refusal to advance beyond the borders of Kwangsi province. Gen. Chen Chi-tang and his political associates attempted to effect a reconciliation with Gen. Chen Ming-hsu whom they had just kicked out of Kwangtung province. Hence, when Gen. Chen Ming-hsu decided to support the Central Government, Gen. Chen Chi-tang had to revise his campaign and instead of driving northward into Hunan and Kiangsi he had to devote his entire attention and resources on a defense of his own position at Canton. This explains his wholesale impressment of coolies in the construction of fortifications in the East and North River districts and in the environs of Canton, and his most recent action in recalling the Kwangsi forces, commanded by Gen. Bei Tsung-chi and the Ironsides commanded by Gen. Chang Fa-kwei, from Kwangsi province to Canton. And this action, as indicated in the foregoing, has had the effect of causing discontent among both the Canton military and the Kwangtung populace. Gen. Chen Chi-tang's contemplated declaration of war against the Central Government has therefore apparently been decided upon as a final means of holding his crowd together. Whether it will succeed is impossible to determine at this time.

The so-called Canton Movement against the Central Government thus remains, for the present at least, a typical Canton political situation, with various rival factions striving for ascendency, but dominated by the traditional age-old animosities of Kwangtung and Kwangsi provinces. Up to the present at least, neither the Canton politicians nor the estranged Kuomintangists from Nanking who have gone to Canton have been able to formulate a political program that has created any perceptible impression on the Chinese public or the outside world generally, most Chinese feeling that since they have to be ruled by military men they had better keep Gen. Chiang Kai-shek and his associates who are known quantities, rather than encourage the bringing in of other military men who might do a much worse job of governing. They have also had the feeling that the ousting of Gen. Chiang Kai-shek and his associates would immediately precipitate a renewal of the struggle between the Northern and Southern military factions which probably would end up in Communist control of the entire country.

Gen. Chiang Kai-shek has therefore, wisely, decided to leave the Canton situation to itself while devoting his attention to the more serious Communist situation in Kiangsi province, realizing that an elimination of the Communist menace probably would result in an automatic adjustment of the Canton trouble. The elimination of the Communist "armies" in Kiangsi province probably will also have the effect of eliminating certain politicians at Canton who previously were allied with the "Reds" and who might easily return to their old affiliations in the event the Communists again were in the ascendancy. The arrest of certain European Communists at Shanghai and the recent return of a number of Chinese Communists to China from their various refuges in Europe indicates quite conclusively that the Soviet Third International still maintains an active interest in the China situation. A perusal of articles dealing with the China situation which appear in the organs of the Third International constitute further proof of this connection.

THE ANTI-RED CAMPAIGN

According to reports from Nanking on June 28 the major operations against the reds in southern Kiangsi province will begin immediately, all of the military officers involved in the campaign having returned to their posts following a conference with Gen. Chiang Kai-shek in Nanchang, capital of Kiangsi. Tungku, one of the chief Communist strongholds was occupied by the Government forces last week. A report from Nanchang which appeared in *The China Press* (Shanghai) on June 26 stated that the Communist forces have practically all lined up under the banners of the two red generals, Chu Teh and Mao Cheh-tung, both of whom with one other, Ho Lung, were previously associated with the radical Communist-dominated Hankow government in 1927. Ho Lung is now operating along the border between Hupeh and Honan provinces. The report in *The China Press* stated that the Kiangsi Communists have taken up positions in the cities of Tunku, Lungkan, Hsinkuo, Ningtu, Lokow and Kwangchang in southwestern Kiangsi adjacent to the Fukien border. The major red forces were concentrated at Tungku, hence the occupation of that town by the Government forces has forced the reds to alter their defense plans. The action of Gen. Chiang Kai-shek in sending strong government forces to Amoy and Changchow in southern Kiangsi has also had a disconcerting effect on the reds through preventing them from retreating over the border into Fukien province. In addition to the military campaign, the Central authorities are also utilizing political propaganda which apparently has had some effect upon the native population of the districts which have been dominated by the red gangs for many months. Wu Chih-hui, veteran Kuomintangist at Nanking on June 29 issued a further telegram to the Canton leaders declaring that the Central Government has no intention of using force against Canton, but is devoting its major interest to the anti-Communist campaign.

The Chinese General Chamber of Commerce at Shanghai on June 28 sent a strong telegram to Gen. Chiang Kai-shek stressing the necessity for devoting major attention to the red situation and urging a completion of the campaign in the shortest possible time.

The Central Publicity Department of the National Army on June 27 issued a manifesto declaring that the red-bandits in Kiangsi province "are the paid agents of 'red-imperialism' who have the destruction of the nation as their major objective."

Further dispatches from Nanchang, capital of Kiangsi, on June 28 stated that Gen. Chiang Kai-shek had decided at the recent military conference to use the entire government force of 300,000 troops in forming an "iron-ring" around the mountains in southern Kiangsi where the Communists have established their headquarters. The report stated that the Communist leaders were now trying to retreat to the mountainous regions along the border between Kiangsi and Fukien. While there has been no definite report on the actual strength of the red forces, a report from Nanchang stated that the three leading red "generals" probably had 20,000 Communist troops each.

In addition to the military activities in Kiangsi and Hunan, the Government has also stationed some thirteen gunboats along the upper reaches of the Yangtsze to prevent red gangs from crossing the river.

Hsiang Chung-fah, allegedly a leading Chinese Communist who recently returned to China from Russia, was

arrested in Shanghai and sent to Nanking where he was executed.

A report from *The Review's* correspondent at Kaifeng on June 25 stated that Ho Lung, one of the outstanding red leaders, previously associated with the Hankow government, had captured the town of Chunchow in southern Hupeh and had launched an attack on Nanyangfu. However, he was defeated by the Government commander Chen Kuan-ying. Ho Lung is being assisted by numerous bandit leaders in both Hupeh and Honan, one being a Chinese woman, long known as a bandit leader in this area.

THE MILITARY PHASES

A report issued by *Kuomin* from Nanchang on June 29 stated that Gen. Chiang Kai-shek, following the military conference he had called, was planning an immediate trip to the various fronts for the purpose of inspecting the troops. It was claimed that one Communist force under Gen. Pang Teh-hui which had attempted to escape from the Government's encircling movement, had been defeated by the Government's divisions under Generals Hsu Ko-hsiang and Mao Ping-wen. The government troops are being assisted by the Nanking aviation force which is commanded by Col. Mao Pang-chu.

Gen. Chiang Kwang-nai, divisional commander of the 19th Route Army, whom Canton alleged to have refused to join in the anti-Canton campaign, is now in Shanghai. A *Kuomin* report from Nanking on June 29 stated that Gen. Chiang Kwang-nai is ill of typhoid and is being attended by a German physician at a Shanghai hospital.

Liu Hsiang, rehabilitation commissioner of Szechuen has been appointed field-commander of the bandit-suppression forces on the Upper Yangtsze. Since the transfer of the 16th Route Army from the Upper Yangtsze to southern Hunan, Gen. Liu Hsiang has established his headquarters at Ichang.

Gen. Ho Chien, head of the Hunan provincial government, reported on June 28 that the recent complications at Canton had caused the withdrawal of practically all Kwangsi and Kwangtung troops from the Hunan border.

Gen. Ho Kuo-kwan, chief-of-staff to Gen. Ho Ying-chin, Minister of War, departed with his chief for southwestern Kiangsi on June 28. The report stated that the Communists, due to the imminence of the government drive had abandoned the town of Nanfeng in order to shorten their lines. The reds were reported to be making a stand at Kwangchang, which is their present chief headquarters.

Gen. Ku Chu-tung has been appointed commander of the National Guards at Nanking in succession to Gen. Feng Yi-pei, who died of appendicitis in Nanking last week. Gen. Ku was previously commander of the 1st Army. Gen. Feng Yi-pei had long been associated with the Nationalist movement under the banners of both Dr. Sun Yat-sen and Gen. Chiang Kai-shek.

SITUATION IN THE NORTH

Marshal Chang Hsueh-liang, who is still confined to the Rockefeller Hospital in Peiping, recovering from a severe attack of typhoid, issued a statement on June 29 declaring that his object in transferring further troops from Manchuria to the Peiping-Tientsin district had been for the purpose of further stabilizing the military and political situation in North China. He declared that his object was to "maintain peace and remove the evils of war." Fan Pu-kiang, a special representative of Marshal Chang Hsueh-liang, who went to Tsinanfu, capital of Shantung to confer with Gen. Han Fu-chu, head of the Shantung government, declared that Marshal Chang Hsueh-liang was determined to maintain peace in North China. Mr. Fan stated that Shih Yu-shan (Kuominchun) had send a representative to Peiping to assure Marshal Chang of his loyalty. Marshal Chang, as soon as his health will permit, plans to go to the summer resort at Peitaiho where he will spend the summer. Two of Marshal Chang's chief subordinates, Gen. Wan Fu-ling (Heilungkiang) and Gen. Wang Shu-chang (Hopei) visited Marshal Chang on June 28 and had their photographs taken in company with Marshal Chang, the purpose being to reassure the public regarding Marshal Chang's physical condition. Gen. Wan Fu-ling later issued a statement that Marshal Chang had practically recovered.

Gen. Wu Teh-cheng, member of the Nanking C. E. C. visited Marshal Chang Hsueh-liang on June 24.

A report from *The Review's* correspondent at Kaifeng on June 24 stated that several thousand Kuominchun troops from southern Shansi, had moved into Honan and had been incorporated into the forces of Gen. Liu Chih, chairman of Honan. They have been stationed temporarily at the town of Popi in northern Honan. Government troops in Honan province are distributed as follows: The 33rd independent brigade, under command of General Tang Yun-shan, is now stationed from Taokow to Sinhsiang along the east section of the Tao-ching line; a part of the 11th route army, under General Liu Mao-en, is stationed from Huochia to Chinghua along the west section of the Tao-ching line. The 9th division, under General Chiang Ting-wen, the 3rd division, under General Chen Chi-cheng, and 2nd division, under General Shang Kuan Yun-hsiang, are now stationed from Sinhsiang in North Honan to Chumatien in South Honan, along the Ping-han line. The main part of the 11th route army, under General Liu Mao-en, is now stationed from Tungkuan, at the Honan-Shensi borders, to Yungyang, along the west section of the Lunghai line; the first division, under General Hu Tsung-nan, is stationed from Kweiteh to Chengchow along the east section of the Lunghai line.

Gen. Ho Ying-chin, Minister of War, telegraphed to the Honan military authorities instructing them to recruit fresh troops which will be under the command of Gen. Kao Shu-shun. Gen. Chang Hsueh-cheng, a brother of Marshal Chang Hsueh-liang, who is stationed with Gen. Shih Yu-shan's troops, issued an order that there was to be no recruiting of bandits in that territory. Gen. Shih Yu-shan issued orders that all opium-smokers and narcotics addicts be put to work building roads. Huang Pi, a native of Hupei, who was chief director of the Kunghsien Arsenal in Honan, committed suicide on account of complications in the operation of the arsenal with which he had been connected for several years.

Four of Nanking's chief Party leaders, Tsai Yuan-pei, Li Shih-tseng, Chang Chi, and Wu Teh-cheng are now in Peiping engaged in Kuomintang Party activities. Wu Tih-cheng on June 30 delivered an address to an audience consisting of more than 1,000 representatives of educational institutions on the significance of the new constitution.

Shao Yuan-chung, acting president of the Legislative Yuan, on June 30 delivered an address in Nanking on the mission of the forthcoming 4th National Kuomintang Congress which is scheduled to meet in Nanking on October 10.

Nanking announced on June 28 the receipt of 25 telegrams from Kuomintang Party Headquarters overseas, seven of which urged peace and unification, fifteen urged war on Kwangtung and three called the attention of the "Canton malcontents to the mistakes in causing the present complications."

The *Central Press*, a Canton propaganda organ circulated a statement during the week in which it was declared that the situation in Canton today is a repetition of what happened in Canton in 1925-1926 and forecasted that the present Canton movement would eliminate Gen. Chiang Kai-shek who was compared to a "boil which had to be removed." It was claimed that Canton now controls 80,000 troops, which with the 20,000 Kwangsi forces and 20,000 Ironsides were considered sufficient to cope with Gen. Chiang's 20 divisions, many of which were alleged to be disloyal and only awaiting a chance to desert to Canton.

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SERIOUS DISCONTENT IN THE RANKS OF CANTON

Hongkong, June 25 (3 p.m.)—Several hundred of the mutineers who were responsible for the rebellion of a section of the 59th Kwangtung Division stationed at Shekchang on Monday and Tuesday of this week, were disarmed on June 24 by Gen. Chen Chi-tang's troops. The revolting troops consisted of two brigades commanded by Generals Li Chen-ko and Yeh Hsiao, but the commander of the 59th Division, Gen. Yu Han-miao, was ill in a Canton hospital at the time of the revolt. The mutineers seized more than a thousand rifles belonging to Gen. Chen Chi-tang's troops.

According to the report issued yesterday, the plot was discovered through the arrest of an alleged Nanking spy who had in his possession a number of documents containing a plot for the overthrow of the new Canton "National Government."

A report was circulated in Canton today that Chen Kung-po, prominent Leftist and close associate of Wang Ching-wei is on his way back to Canton from Italy where he went following the overthrow of the Northern Military Coalition by Gen. Chiang Kai-shek last year. Chen

Kung-po is expected to arrive in Hongkong about July 10.

The Japanese Consul at Shameen has extended an invitation to the members of the new Kwangtung Provincial Council to a tiffin on June 26, this being the second function given by the Japanese Consul to members of the new Canton Government.

Eugene Chen, Minister of Foreign Affairs of the Canton Government was interviewed on June 24 by the American Consul at Shameen.

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Hongkong, June 26, (8 p.m.)—It was learned today that the Canton Government has handed over to the Kwangsi General, Li Tsung-jen the sum of $2,000,000 and in addition some 3,000 rifles and has issued secret instructions for Gen. Li to mobilize his forces at Kweilin and Liuchow with the object of marching to Kiangsi province in order to block the treatened invasion of Kwangtung by the 19th Route Army under Gen. Chen Ming-hsu. The vanguards of Gen. Chen Ming-hsu's forces are reported to have reached Sinfeng.

It was confirmed that Canton has commissioned Gen. Hsu Chung-chi to proceed to Fukien province with the object of negotiating with Chang Chen and Liu Woo-ting.

Admiral Chen Tseh has suggested the reopening of the Whampoa Naval College in order to carry out his scheme for naval expansion at Canton.

According to a report from Canton this morning the impression prevails among Canton officialdom that the arrival of Gen. Chen Ming-hsu in Kiangsi province will result in a new military combination among Generals Ho Ying-ching, Sun Lin-chung, Ho Cheng-chun, Ho Chien and Lu Tih-ping that will bring pressure on Canton and Nanking and force a compromise.

Wang Ching-wei, Left Wing leader, is contemplating a trip to Kwangsi province for the purpose of supervising the reorganization of the Kwangsi Kuomintang and the Kwangsi provincial government.

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Hongkong, June 27, (10 a.m.)—It was reported in foreign circles in Hongkong yesterday that Gen. Chen Chi-tang, head of the military at Canton has again approached foreign banking interests for a loan of $10,000,000. Gen. Chen is offering as security for the loan, the revenues of the Canton-Shiukwan, Canton-Samshui and the Chinese section of the Canton-Kowloon Railways. Gen. Chen has offered to make an agreement whereby the loan would be redeemed in five years. The names of the foreign banks which have been approached on the question of the loan were not disclosed.

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Hongkong, June 27, (10 a.m.)—Due to the receipt of alarming reports in Canton yesterday that Gen. Chen Ming-hsu's 19th Route Army had launched an attack on Kwangtung by way of Sinfeng and from the Tayuling Mountains, Gen. Chen Chi-tang issued orders for the Third Cantonese Army to proceed immediately to the defense of the Shiukwan district where martial law has been declared.

It was also confirmed that Gen. Li Tsung-jen has issued orders for the mobilization of the Kwangsi forces at Liuchow, Kweilin and Wuchow and the immediate transferrence of the troops to Kwangtung province for the defense of Canton.

Gen. Chen Chi-tang has placed further orders with foreign firms for large quantities of arms and munitions, the amount of the latest orders allegedly being $5,000,000.

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Hongkong, June 28, (3 p.m.)—According to a report from Canton this morning, some 5,000 troops belonging to the 19th Route Army, under Gen. Chen Ming-hsu, have passed through the Tayuling Mountains in a drive on Kwangtung province. Since the 19th Route troops are reported to be moving rapidly, Canton believes that an outbreak of hostilities along the Canton-Shiukwan Railway to be imminent. The past weekend saw large troop movements in northern Kwangtung province where Gen. Chen Chi-tang, head of the Canton military has constructed strong defense works.

Practically all commerce between Canton and northern Kwangtung province has been suspended owing to the threatening military situation.

Reports received in Canton of the alleged resignation of Gen. Chiang Kwang-nai, dividisional commander of the 19th Route Army, have produced considerable satisfaction in Canton as the feeling prevails that Gen. Chiang Kwang-nai's resignation has been due to his refusal to participate in the drive on Canton by the 19th Route Army. It is understood that Gen. Chen Chi-tang and Wang Ching-wei have proposed that an envoy be sent to Shanghai for the purpose of inviting Gen. Chiang Kwang-nai to Canton.

In view of Gen. Chiang Kwang-nai's reported resignation it is believed in Canton that the 19th Route Army will be led personally by Gen. Chen Ming-hsu, former civil governor of Kwangtung.

Chen Kung-po, Left Wing leader, who has been in Italy since the collapse of the Northern Military Coalition in Peiping last year, is reported to have secretly returned to Canton and will be appointed to an important post in the Canton "National Government."

The bankers and merchants of Canton have issued a strong protest against the imposition of heavy trade taxation recently ordered by the Canton opposition government as a means of raising war funds.

A report circulated in Canton this morning claimed that the Sixth Nanking Air Squadron stationed at Amoy and commanded by Cantonese aviators, has revolted, the mutineers allegedly flying to Canton with five of Nanking's bombing planes.

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Hongkong, June 29, (3 p.m.)—Practically all wealthy Chinese inhabitants of the districts surrounding the cities of Namhung and Chihing in northern Kwangtung province adjacent to the Kiangsi border, have evacuated to Shiukwan on the Canton-Shiukwan railway. Some of the refugees who have arrived at Canton claim that 5,000 troops loyal to the Central Government have arrived at Tayuling. According to the reports of the refugees the officers of the Nanking forces claim they are engaged in the anti-bandit campaign and have no intention of attacking Canton, but the Cantonese military reported today that airplanes belonging to the Central Government flew over the positions occupied by the Canton vanguards at Shiukwan, but no bombs were dropped. The appearance of the Nanking airplanes created intense excitement among Canton officialdom.

The Kwangtung provincial Council has accepted the resignations of Teng Yien-hua and Fan Chi-wu and according to report contemplates the appointment of Li Wen-fan and Chen Shu-jen to fill the vacancies. Of the two new appointees, Li Wen-fan is a secretary on the staff of Hu Han-ming, late president of the Nanking Legislative Yuan, while Chen Shu-jen is a well known Leftist.

The recent imposition of the new "rent-taxes" at Canton has failed to produce much new revenue, the total amount thus far obtained amounting to only $250,000. The government hoped to realize at least $2,000,000.

According to latest reports from Canton, Gen. Chen Chi-tang, head of the military has been forced to make certain drastic changes in his military plans, the reports stating that he will now concentrate his forces for a defense of Swatow and Chaochowfu, but may surrender his positions along the North River in the event Nanking advances into that area.

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Hongkong, June 30, (8 p.m.)—Troop movements on the part of Gen. Chen Chi-tang in northern Kwangtung province have been seriously handicapped by a torrential rainstorm which swept across the northern part of the province causing a disruption of passenger traffic on the Canton-Shiukwan Railway. A considerable amount of railway track was washed out and according to report, Gen. Chen Chi-tang's airdrome at Shiukwan was seriously damaged by the high wind.

Owing to Canton's belief that an invasion of Kwangtung province by the Central Government's forces is inevitable, it was announced today that the Canton "National Government" is drafting a declaration of war against Gen. Chiang Kai-shek. It is understood that the war declaration will emphasize Gen. Chiang Kai-shek's alleged complicity in the creation of a government "opium bureau" for the public sale of opium at Shanghai and in Kiangsu and Chekiang provinces.

Gen. Chen Chi-tang has appropriated the sum of $1,400,000 belonging to the Kwangtung provincial famine relief association for war purposes.

Gen. Chen Ming-hsu, commander of the 19th Route Army, has sent a letter to Gen. Chen Chi-tang head of the Canton military propositing a continuance of the peace negotiations on the basis of an elimination of the Ku Ying-fan "party" from participation in the Kwangtung provincial government; a re-installation of the Peace preservation Corps which was disarmed by Gen. Chen Chi-tang, and that the supply of both funds and

military supplies for the Nineteenth Route Army from Canton be resumed.

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South China Morning Post, (June 22).—The imminent possibility of the 19th Route Army (60th and 61st Divisions) under Gen. Chen Ming-hsu, invading Kwangtung province, provided important subject of discussion on the part of Canton officialdom; conference of the military officers of Gen. Chen Chi-tang's 8th Route command, including regimental officers upward, which lasted for six hours considered all phases of the matter including the assignment of arms, funds and division of territories; understood important changes made in defence plans; large contingents of Kwangsi troops and Ironsides will be stationed in Kwangtung; Kwangsi also to be provided with ample arms and equipment; Canton's air squadrons to be divided into two divisions, one serving the Kwangsi forces and the other the Cantonese troops . . . Vanguards of Chen Ming-hsu's troops supposed to have reached Sinfeng in southern Kiangsi; battles likely to develop at Namhung and in Tayuling mountains . . . Canton definitely made up its mind as to the attitude of the 19th Route army and has closed all recruiting offices in northern Kwangtung and seized 2,000 rifles intended for the 19th, all dispatch of foodstuffs and funds stopped . . . Gen. Chang Hui-chang, head of Canton air service goes to Hongkong to obtain consignement of $1,000,000 worth of American airplanes said to have been purchased from American firms; stated planes can be used for bombing purposes and can be equipped with machine guns . . . Gen. Chen Chi-tang announced definite closing of Canton headquarters of 19th Route command . . . Alleged that Gen. Chang Fa-kwei's troops which had advanced as far as Yungchow, Hunan on their way to Henchow, now ordered to concentrate at Yungchow pending further orders. . . Previous report that officers of the 19th Route Army had been detained in Canton now stated to be untrue; said that officers were members of the 19th Route's political training department and had come to Canton due to dissatisfaction with attitude of Gen. Chen Ming-hsu; stated officers left Kanchow, Kiangsi and were invited to remain over in Chiukwan by Gen. Li Yeung-king, in order to discover real situation in Kiangsi . . . Canton claims that Gen. Chen Ming-hsu has refused to take orders from Chiang Kai-shek to attack Canton; that conference of all officers of the 19th held at Kanchow had voted 18 for Canton and 3 for Nanking against invasion of Kwangtung; claimed officers of 19th are bitter against Chiang Kai-shek because of ill-treatment last year, hence the 19th will only fight the Communists; Canton claims that fortifications in North River district are for protection against Communists . . . Gen. Chen Chi-tang emphatically denies report he has invited Soviet General Galen to return to Canton as an adviser to the opposition government; said news was manufactured by enemies in Nanking Canton report states...Gen. Hsu Chung-chi has resigned from Canton Military Council due to dissatisfaction with certain polititicians at Canton; Gen. Hsu is staying with Gen. Li Fu-lin former commander of the Nationalist 5th Division; Canton refuses to accept his resignation . . . Tai Yan-cheung, formerly superintendent of Customs at Chinkiang and now head of Canton's Treasury Department, claimed Swatow customs question settled and surplus now sent to Canton treasury . . . Gen. Chang Hung-pin, allegedly representing certain Shansi generals arrive in Canton to discuss problem of cooperation. Gen. Chang formerly commanded 11th Shansi division and said he had gone to Canton because Gen. Yen Hsi-shan was being detained in Dairen and is not permitted to receive reports on Canton situation; Gen. Chang claimed that many Shansi and Northern commanders, including Shih Yu-shan, Ma Hung-kwei, Han Fu-chu and Sun Tien-yin sympathized with Canton; stated both Yen and Feng had accepted the high posts offered them by Canton; claimed military conference in Taiyuanfu had voted to support anti-Chiang Kai-shek movement and circular telegram denouncing Chiang shortly would be issued; Yen reported to have secretly left Dairen, but no one had seen him for more than a week . . . Chiang reported sending large sums to Peking to buy loyalty of Northern militarists.

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South China Morning Post, (June 22).—Foo Ping-sheung, vice-minister of Foreign Affairs of Canton "National Government," gives long interview on Kuomintang politics; declared study of Kuomintang politics since 1924 shows that no important dissension has taken place; that those now gathered at Canton always have held identical views as to objects and program of the revolution; first occasion for disagreement arose in 1925 over question of expediency and not over fundamentals; Party then faced with three enemies, Chen Chiung-ming, Wu Pei-fu and foreign imperialists; some favored union with Communists as means of fighting imperialists and this controversy led to formation of Western Hills faction; but Kuomintang never identified itself with Communism . . . When Northern expedition neared goal of victory in 1927, there appeared a new enemy, Gen. Chiang Kai-shek, who was more dangerous than the other three; Chiang's ambitions were long source of worry to Party leaders; Party thus between devil and sea and had to decide wether to oppose Chiang or the Communists; Hankow group including Sun Fo, Tan Yen-kai, Eugene Chen and Wang Ching-wei maintained that Chiang should be removed immediately, otherwise it would be too late; Nanking group including Hu Han-ming and Dr. C. C. Wu held opposite view and insisted on elimination of Communists first; all agreed that Chiang Kai-shek and the Communists were equal menaces to Party, Hankow group opposing Chiang and Nanking group opposing Communists; no real breach in Party and when Chiang withdrew and Communists eliminated the breach was healed . . . But in unguarded moment Chiang Kai-shek permitted to reappear; nation then tired of strife and Tsinan incident had caused union of all groups against foreign aggression; when Hu Han-ming and C. C. Wu returned from abroad they found Chiang again in power, hence decided if Chiang would exercise power for welfare of Party and Nation as Kemal Pasha had done in Turkey, no reason why Chiang should not be permitted to serve as unifier of China; if, however, Chiang devoted himself to self-aggrandizement like Yuan Shih-kai, his downfall would be certain; thus Kuomintang leaders have tolerated Chiang for three years in hope he would use his power for Nation's good . . . But Chiang has abused his power; Kuomintang affairs placed in hands of Chiang's underlings, Chen Li-fu and Chen Kuo-fu to exclusion of many veterans of Party; two Chen brothers unimportant but were given high positions by Chiang; they permitted immature youths to meddle in Party affairs, thus alienating support of local populace making Party object of serious criticism. . . Failure of Nanking Government also illustrated in placing finances under control of T. V. Soong; Hu Han-ming as head of Legislative Yuan repeatedly urged that Finance Minister should make conditions of national revenue known to whole country, but this not done; Kemmerer Commission used to divert Nation's clamor for immediate reform and efforts to introduce budget system unavailing . . . During the campaign against Yen and Feng last year, Chiang Kai-shek had made three pledges: reorganization of Party; reform of finances and suppression of communists; but when military crisis over Chiang ignored pledges; didn't reform party or finances because it would have disturbed positions of his men; elimination of Communists would have interfered with position of Chiang's secretary Shao Li-tze, who was once of Communistic leaning; Chiang's underlings conspired against Hu-Han-ming. . . . In view of foregoing, Foo Ping-sheung expressed opinion there is no real foundation for differences in the Party, because all are united on the two major propositions of opposition to Chiang Kai-shek and the Communists; now whole nation has arisen against despotic rule of Chiang; allegations of split in the ranks of the anti-Chiang faction at Canton are nothing but fabrications. . . .

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South China Morning Post, (June 23)—Report published from Peiping stating that Chang Chi, the Central Government's recent emissary to Canton, had arrived in Peiping and stated that Nanking would shortly send another emisarry to Canton; that the Communist situation in the South and uneasiness among Northern troops placed Nanking Government in serious situation; that actual outbreak between Canton and Nanking "would smash up unification."....Further report under Shanghai date-line stated that Gen. Chiang's departure for Kiangsi made declaration of war against Canton inevitable; stated Chiang took with him $5,000,000 for purpose of paying Chen Ming-hsu's troops, also forces of Chu Shao-liang, Sun Lin-chung and Ho Ying-chin; Vice-Admiral Chen Shao-kuan stated sending gunboats to Nanchang to assist in drive on Canton; stated Marshal Chang Hsueh-liang had promised to pay off the troops of Gen. Shang Chen in Shansi as soon as he recovered his health; stated Gen.

Chen Ming-hsu upon his arrival at Nanking from Japan, met Sun Chi-wan, Fan Ki-mo and Au Yeung-kuo of Canton for conference on Canton situation; that Chiang Kwang-nai and Tsai Ting-kai had gone to Nanchang to welcome Chiang Kai-shek; Fang Pen-jen, member of Hupeh government invited to Nanchang to cooperate with Chiang Kai-shek in campaign....Canton received secret message that Gen. Chiang Kwang-nai of 19th Route forces had left for Nanking to see Chiang Kai-shek but would first go to Shanghai; Canton claimed message received from Chiang Kwang-nai and Tsai Ting-kai stating these two officers of 19th Route army had sent telegram to Wang Ching-wei, Sun Fo and Gen. Chen Chi-tang protesting against Canton's detention of arms and funds intended for 19th Route army, stating that their real intentions are to fight the Communists and not fight Canton....Canton decides to plant 500 pounds of explosives at Bocca Tigris forts and Chen Chi-tang instructed Feng Chu-wan to superintend construction of new fortifications in various parts of Kwangtung....Chang Min, vice-controller of Kwangtung Opium Monopolies appointed head of department in place of Yip Shiu-chuan who had been connected with 19th Route army....Canton detains number of staff officers of 19th Route Army and some 200 newly recruited soldiers which were allegedly enroute to Hongkong to join the 19th....Huang Chi-lu, commissioner of Kwangtung who had resigned because of disagreement, invited to return to Canton by Sun Fo, Wang Ching-wei and Chen Chi-tang and said to have been appointed head of the political department of the army...Reported that Y. L. Tong, former vice-minister of Foreign Affairs at Nanking and close associate of Feng Yu-hsiang, has arrived in Canton from Tientsin, but not known whether he will join the Canton government.

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South China Morning Post, (June 24)—Gen. Bei Tsung-chi returns to Wuchow to assist in inauguration of Kwangsi provincial government on July 1; Gen. Chen Chi-tang continues to search Canton-Kowloon railway passengers to prevent departure of 19th Route officers; stated Canton opened negotiations with Japan for purchase of war vessels....Stated Canton will form a Fifth Group army corps under Gen. Hsu Chung-hsi; reported Gen. Hsu will attempt to recruit new allies in Fukien, Yunnan and Wweichow...Wang Ching-wei wires to Li Shih-tseng in Peiping denying that the Communist, Chen Tou-hsiu has joined Canton government; Wang Ching-wei denies any attention to form new alliance with reds; Wang also denies that he has had any connection with representatives of the Soviet Tass news agency as alleged from Nanking . . .Report from Peiping received in Canton alleging new combination being formed in Northwest, including Shih Yu-shan, Han Fu-chu and others, but not known whether it will be sympathetic toward Canton...Report from Nanchang stated Chiang Kai-shek will attack reds by six routes....Report from Paiping stated Gen. Wu Teh-chen may shortly proceed to Canton on further peace mission.

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South China Morning Post, (June 25)—Serious uneasiness developed in Canton as a result of heavy gun-fire which suddenly broke out at the Shekchang arsenal which is near the suburbs of Canton. Gen. Chen Chi-tang immediately ordered a suppression of all news about the incident, but it was learned that the trouble developed from a rebellion of some of Chen Chi-tang's troops who had withdrawn from Sunkai station along the Canton-Shiukwan railway and had occupied a strategic post near the Shekchang arsenal. Gen. Chen Chi-tang later announced that the trouble had been caused by villagers exploding fire-crackers in connection with the Dragon Boat Festival ....Dissatisfaction of certain officials connected with the Canton Movement was indicated in the resignations of several officials including Gen. Hsu Chung-hsi (Western Hills Clique), from the Military Council; Chen Shu-jen (Leftist associate of Wang Ching-wei), from the Political Council; Gen. Tang Yin-wah (former Commissioner of Reconstruction), from the Provincial Government Council and Kwangtung Electric Company. Gen. Hsu had not attended many meetings of the Military Council and stated that while he would remain in Canton he did not wish to participate in military affairs; Chen Shu-jen stated he was going to Kwangsi....Feng Chu-wan mentioned for Finance Commissioner post; other changes stated to be imminent. . . .Canton report claimed American-returned student, educated in military science, named Wu Chi-feng, aged 32 years, executed as a Nanking spy....Since Kwangsi troops have taken over control in Kwangsi, serious banditry and anti-Christian agitations developed in Kwangsi, the anti-Christian agitations allegedly being concerned with propaganda against Gen. Chiang Kai-shek due to his Christian affiliations....Kwangsi restores likin tax as war measure....Wang Iu-tso appointed military governor of Kwangsi....Removal of Chang Fa-kwei's troops from Poseh to Kweilin leads to fresh development of red atrocites. . . .Attempts being made to induce Huang Shao-hsiung to accept governorship of Kwangsi. . . .Y. L. Tang, representative of Feng confers with Canton officialdom; declared that Feng had definitely pledged himself to mobilize his troops against Chiang Kai-shek and only awaiting orders from Canton; stated Kuominchun ready to strike Peiping-Hankow railway; stated that Han Fun-chu, Shih Yu-shan and Sun Shih-yuan urging Feng to lead troops against Nanking ...Gen. Chang Hsiung-ping, representative of Yen Hsi-shan also in Canton in connection with anti-Chiang Kai-shek campaign...Canton claims definite confirmation of death of Gen. Ho Yin-ching, Nanking Minister of War, received; claimed report received by certain foreign consulate at Shameen; alleged Gen. Ho was planning to switch his allegience to Canton.

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South China Morning Post, (June 26).—Reports from Canton claim active rreparations for war against Nanking being made because of conviction that Chiang Kai-shek's anti-Communist drive is only a smoke-screen for an attack on Canton; Bei Chung-hsi leaving for Kwangsi immediately and from Wuchow will proceed to Nanning to lead forces to Hunan; 4th army under Chang Fa-kwei and 7th army led by Kwangsi men now stationed on Kwangsi-Hunan border ready to move immediately; stated Ho Chien unpopular in Hunan can easily be defeated and unable to offer resistance when Ironsides march toward Yangtsze; claimed Kuominchun troops concentrated on banks of Yellow river awaiting Canton's oders to move; claimed Kuominchun has 150,000 troops; claimed more than 100 officers and men of 19th route army returned to Canton due to refusal to join Nanking...4th Group army suddenly withdrawn from Hunan border and concentrated at Hohsien and Wuchow leaving only two regiments on Hunan border; Chang Fa-kwei now has 8,000 men at Hohsien and Bei Tsung-chi has 13,000 men at Wuchow, both ready to march to assistance of Kwangtung...Canton decides to fix expenditures of its Foreign Ministry at $70,000 monthly; Finance Ministry at $90,000 monthly while salaries of sixteen members of National Government fixed at $1,600 monthly; major portion of Customs surplus assigned to military under Gen. Chen Chi-tang and Li Chung-jen and for cost of fortifications for defense of Canton; committee of eight appointed to supervise erection of fortifications in Canton suburgs...Canton "National Government" claimed Canton Movement receiving heartv support from overseas; Hsiao Fu-cheng in speech said that overseas Chinese at first did not support movement against Chiang Kai-shek because Chiang was unifying the nation, but now since it was shown that Chiang could not unify the country, the overseas would oppose Chiang; claimed attitude overseas now completely changed and Canton being urged to dispatch expedition against Nanking... Further report about explosions at Shek-lung station on Canton-Shiukwan railway alleged explosions due to dynamite which blown up for experimental purposes; caused considerable damage...Report received from Hunan stated Ho Chien head of Hunan provincial government, had notified Chiang Kai-shek that practically all Kwangtung and Kwangsi troops had been withdrawn from the Hunan border, the reason being due to Gen. Chen Chi-tang' fear of trouble at Canton.

NEW CANTON "NATIONAL GOVERNMENT" DOMINATED BY RIVAL AND CONTENDING FACTIONS

(From The Review's Correspondent)

Consequent on the breakdown of negotiations between the Canton opposition government and the Nineteenth Route Command officers (headed by Gen. Chen Ming-shu) and the unwillingness of the Canton leaders to accept Chang Chi's peace terms Canton is facing an imminent invasion by Nanking forces from Fukien and Nineteenth Route force from Kiangsi. Coupled with this high tension on the Kwangtung frontier is the announcement by Military Council appointing Generals Chen Chi-tang and Li Tsung-jen joint commanders for the defence of North River districts and Generals Pai Chung-hsi and Hsu Chung-chi to direct the defence on East River with headquarters at Swatow. On the eve of outbreak of hostilities the startling news emanates from military cir-

cles that General Hsu Chung-chi who is apparently dissatisfied with Ku Ying-fan's monopoly of the civil administration posts has tendered his resignation to the Military Council in which he is one of the members. Another cause for his pessimism is attributable to his failure to secure the post of Chairman of the Military Council, a motion defeated by Gen. Chen Chi-tang. Mr. Ku, however, has caused much discontent because of his monopoly of the civil posts at the Provincial and Municipal Governments.

Since his arrival in the South representing certain Kuomintang leaders in Nanking to negotiate with General Chen Chi-tang for the organisation of a military coup to oust General Chen Ming-shu, Mr. Ku has kept an eye on the Chairmanship of the Provincial Government, a portfolio formely occupied by Gen. Chen Min-shu. However, with the return to Canton of Eugene Chen Sun Fo proposals were submitted to the Political Council by more than one factions suggesting the appointment of Sun Fo as Civil Governor. Deciding not to contest with the "Prince" faction and to avoid criticisms that might level on him by his political opponents Ku shrewdly suggested Lin Yun-chieh whose experience with the Canton Affairs as its Mayor for the past two years and friendly relation with both Ku and Gen. Chen Chi-tang enable him to become elected without much opposition. So the appointment of a Civil Governor which at one time threatented to develop into a keen contest among the many factions and possibly leading to heated debates was settled. At first Lin was offered the post of Finance Minister concurrent to his post as Chairman of the Provincial Government. This again met with the disapproval of other parties and eventually this high post was assigned to Teng Shao-yam, who maintained a closer relation with Ku Ying-fan and General Chen Chi-tang. The "Prince" faction had to content with the minor appointment when one of its representative, Wu Shang-ying, was made assistant Finance Minister. Feng Chu-wen, who represented the Canton opposition government on a mission to interview certain commanders in North China and who was many years the Finance Minister of Kwangtung under Marshal Li Chai-sum was at one time mentioned as the most probable candidate for the Finance Ministry. The appointment of Lin Yun-chieh has led to no little disappointment and to-day we hear that Feng has cancelled his intention of paying a second visit to Tientsin to enlist military support for Canton and is contenting himself with the administration of finance affairs of Kwangsi.

To further ensure his political powers Ku nominated his follower, Ching Tien-koo as Mayor of Canton and other prominent members of his Party including Li Lao-chao and Li Wen-fan as members of the Kwangtung Provincial Government. Gen. Chen Chi-tang is represented in the Provincial Government by Lin Yi-chung who has been elected a member of the Provincial Council. The post of Commissioner of Reconstruction went to Hu Chi-yin, a trusted subordinate of the former Minister of Railways, Sun Fo. Since his return to Kwangtung many of his trusted subordinates have severed connexions with the Nanking and so much so that Sun Fo is kept fairly busy this days hunting positions in the various ministries for his friends from Nanking. Chin Tseng-cheng, Teng Yen-hua, formerly the Commissioner of Reconstruction, and Hsu Chung-ching are independent politicians who were elected at the Provincial Council because of their long association with this body. Hsu Chung-ching is a brother to the veteran Canton militarist, General Hsu Chung-chi, and due to the latter's influence he was appointed Chancellor of the Sun Yat-sen University. Apart from this the Kuomintang Left Wing (headed by Wang Ching-wei) and the Western Hill Clique under Tsou Lu and Hsieh Chih are not represented with a single candidate at the Provincial Government or Municipal Government. Wang Ching-wei and Eugene Chen are the only Leftist politicians elected. Eugene Chen's election as Foreign Minister was carried through without opposition. Fu Ping-sheung, a former graduate of Hongkong University and for some years political associate of Hu Han-min and Ku Ying-fan was elected vice-Minister for Foreign Affairs.

Some time ago rumours were current that Wang Ching-wei is recalling Chen Kung-po, Koo Man-yu and other Leftist politicians to Canton but this has not been confirmed Chen Shu-jen, a Leftist politician and former Commissioner of Civil Affairs to the Canton Government, has returned to South China after representing Wang Ching-wei to confer with certain militarists in the North. Chen Shu-jen is not participating in any political activity at the moment and told newspaper correspondents last week in Canton that he contemplated visiting Kwangsi in pursuing his art studies. He is a painter with a high reputation. The political alliance in Canton at the moment gives indication that further rivalry for posts and political crashes among the factions are inevitable and even now there is a strong under-current of discontent among the Leftist Party, the Western Hill Clique and certain divisional commanders under General Chen Chi-tang against Ku Ying-fan's monopoly of the civil posts. Divisional commanders Li Yang-ching, and Yu Han-mao under General Chen Chi-tang are displaying a decided friendly attitude towards certain Leftist leaders. Some time ago Wang Ching-wei suggested the reorganisation of the Provincial and City Kuomintang but this has met with the strong disapproval of members of the Ku Ying-fan Party. Today we find the two Kuomintang organs still manage by certain supporters of General Chen Ming-shu.

Regarding the military factions now represented in Kwangtung and Kwangsi we find that General Chen Chi-tang's position has been further consolidated by the elimination of Gen. Chen Ming-shu. The Kwangsi Party is represented by Generals Chang Fa-kwei, Li Tsung-jen, Pai Chung-hsi, and a few others. The aforementioned leaders have been elected to serve at the Military Council. Other supporters of the Kwangsi Party including General Li Ping-hsin, Hu Tsung-to, Yeh Chi, Teng Sheng-ming and Huang Chi-chang (who wielded considerable influence inside the Nationalist Army before the collapse of the Kwangsi Party in Hankow in 1928) are in Hongkong waiting for an opportunity to return to Kwangtung. The dominating military clique is undoubtedly the Eighth Route Command under Gen. Chen Chi-tang with his three Divisional commanders, Generals Ku Han-mao, Li Yang-ching and Heung Han-ping. This group has the support of the Navy under Admiral Chen Tseh. General Chang Hui-cheung, former head of the Nanking Aviation Administration, is forming an independent faction as chief of the aerial squadron. He is, more or less, inclined with the Eighth Route Command.

Officially Canton claims the support of Yen Hsi-shan who has an unofficial representative in the person of Fu Yu-sen, who has been elected a member of the Military Council. At the moment it is hard to predict to what extent the former Shansi Governor is interested in the Canton movement pending the outcome of Fu's visit to Dairen. Another military clique in the military council here is headed by General Teng Sheng-chi, former military governor of Hunan and Hupeh. The latter has made a not too successful attempt to find military support for Canton among the Hunan armies. In recent months General Teng has been associating himself with Wang Ching-wei in the conspiracy against the Nanking regime. Still another military faction is represented in the interesting personage in General Hsu Chung-chi who is allying himself with Gen. Li Fu-lin, former head of the Fifth Nationalist Army in the time of the organisation of the northern expedition in 1926. Both generals are taking very little interest in the Military Council work. It seems that they are not getting on two well with certain politicians here.

Turning to the political council we also find that the different political factions are evenly represented. Liu Chi-wen, formerly the superintendent of the Shanghai Customs, is a son-in-law to Ku Ying-fan and Li Wen-fan was formerly the chief secretary to Hu Han-min and follower of Ying-fan. Chen Yung, the chief secretary of the opposition government council, is a brother-in-law to Hu Han-min and Liang Han-tsao, the chief secretary to the Canton Kuomintang Plenary Session, was a former secretary at the Ministry of Railways in Nanking and was nominated to his present post through the influence of Ku Ying-fan. Tang Shao-yi and Li Lieh-chun, members of the political council, are independent in their outlooks and are not associating with any political party at the moment. The former spent his last three weeks at Tong Ka in Chungshan district and it seems that he is paying much more attention to the construction of a modern harbour and free-port at Chungshan than with the anti-Chiang movement in Canton. Li Lieh-chun is known to be in Shanghai and it is most doubtful if he will accept the Canton appointment.

Canton, June 22, 1931.

Extent of Foreign Investments in Yokohama District

BY W. P. NASON

U. S. Consul, Yokohama, in Commerce Reports

The increasing demand in Japan for manufactured articles and equipment has led to the rapid development of industry in the Yokohama district, particularly in the Prefecture of Kanagawa. This is especially true as regards various manufacturing processes which originated or developed in the United States and Europe, and which were introduced into Japan in affiliation with foreign technical skill and capital. While the foreign investments in such industries have taken various forms, in general, they have secured control or complete ownership through the use of special production methods and trade names of foreign companies including the establishment of separate Japanese companies by foreign manufacturers for the purpose of supplying the local market.

This participation of foreign capital has largely followed the manufacture of electrical equipment, phonographs, automobiles, iron and steel products, and rubber manufactures, with smaller investments in the production of musical instruments and beverages. In addition to investments in industries which may be considered exclusively within the manufacturing field, installations and marketing equipment of American and British oil companies, together with the manufacture of candles, constitute an important phase of foreign financing throughout Japan, including the Yokohama district.

Certain information on the investments of foreigners in particular enterprises appears in a Japanese report, issued in the Japanese language by the Bureau of Commerce and Industry of the Prefecture of Kanagawa in March, 1930. Upon that report, entitled, "A Brief Survey of Foreign Commercial and Industrial Activities in Kanagawa Prefecture," the following paragraphs are based:

Capital Investments with Control of Ownership

It is reported that among companies under foreign control operating manufacturing plants in the Yokohama district, the electrical industry has absorbed the largest amount of capital. This is represented by an American investment of 12,600,000 yen ($6,244,857) in a company having a total paid-in capital of 21,000,000 yen ($10,408,125). Investments in the local assembling of automobiles include 8,000,000 yen ($3,965,000) of American capital, giving complete ownership of the one company thus engaged. Two foreign-controlled companies manufacturing phonographs and records have a total capital of 4,100,000 yen ($2,032,062), comprising an American investment of 1,706,250 yen ($845,660) and British participation amounting to 1,076,800 yen ($533,689).

One company producing steel building materials is capitalized at 1,000,000 yen ($495,625), being controlled by an American investment of 750,000 yen ($371,718), and a plant producing steam boilers and combustion machinery has a British investment amounting to 1,250,000 yen ($619,531), of a total capital of 1,750,000 yen ($867,343). Foreign investment in rubber manufacturing is represented by an American investment of 850,000 yen ($421,281) in one company having a total capital of 1,600,000 yen ($793,000).

Capital Participation Without Control

Important investments of foreign capital in Japanese manufacturing industries operating plants in the Yokohama district, which do not secure control, are reported to be limited to two electrical companies having a total capital of 28,300,000 yen ($14,026,187). Of this amount, 6,469,550 yen ($3,206,470) represent American investments, while German funds participate to the extent of 2,541,252 yen ($1,259,508). Other investments of this nature are of a minor nature, and are involved mainly in the manufacture of musical instruments and beverages.

Investments Other than Industrial

There is no specific information available concerning investments in installations and marketing equipment used by American and British oil companies which distribute in the district but such are known to be heavy. Distributing activities of these companies include the manufacture of cans, the establishment of pipe lines for ship bunkering, and of numerous automobile filling stations, together with the operation of extensive offices and transportation facilities, and the expenditures incurred in connection therewith involve a considerable outlay of capital.

Employment of Foreign Technical Skill

It is considered that one of the most important features of foreign investments in the district is the employment of foreign technical skill in connection therewith. Practically all of the industries described are operated under the technical supervision of foreign experts, who are devoting their specialized knowledge to the development of the various phases of industry, and, in most cases, a thorough training is given to the Japanese workmen and officials, covering modern methods of production and distribution. The advantage to the district secured from the introduction of foreign capital, therefore, is not limited to financial considerations, as the experience gained through such cooperation should have the effect of widening the scope of Japanese industrial activity. (Note: All conversions in this report were made at the rate of 1 yen—$0.495625.)

In the section of the report entitled "Industries with Foreign Connections," information is given covering the classes of manufactured articles, dates of establishment, the number of employees, authorized and paid-in capital, and the amounts invested according to nationality. It is officially reported that the amounts of foreign investments cover capital participation in the various companies, rather than specific investments in the manufacturing plants situated in the Yokohama district, and care has been taken to convey such a meaning in the report. However, it is believed that for practical purposes the investments may be considered as coming within the industrial field of the Yokohama district, as the manufacturing plants situated therein are, in general, the most important phases of the companies concerned.

Chinese Correspondent Discusses Recent Extra-Settlement Road Incident

In connection with the incident which occurred at the home of H. F. Smith on Avenue Haig June 25, when an altercation occurred between foreign and Chinese police, in the course of which one of the latter received a bullet wound, a Chinese correspondent informs *The Review* that Colonel Chen, Chief of the Public Safety Bureau of the Municipality of Greater Shanghai, intends to ask for payment of medical expenses of the wounded policeman, the tender of a formal apology, the giving of an assurance that there will be no repetiton of such incidents, and a promise that future patrolling of roads outside of the Settlement will not be carried out by police of the International Settlement without the permission of the Chinese district police commissioner concerned.

This correspondent also alleges that there were many inaccuracies in the account of the incident given in the foreign newspapers and he expresses the hope that foreign newspapers will be impartial and neutral, always working for the welfare of both the foreign and Chinese communities. According to this correspondent the account in the foreign newspapers gives the imopression that the fault was all with the Chinese, whereas the truth is that the foreigner in question was taking advantage of his extraterritorial position in delaying payment of a bill and the foreign police had the temerity to shoot a Chinese policeman on an extra-settlement road, thus showing that foreigners have no respect for Chinese sovereignty.

Two Airplane Crashes Occur at Nanking

The second serious aviation mishap in Nanking within a period of 48 hours occurred June 29 when Niu Yao-hsien, a squadron leader attached to the Aviation Department of the Ministry of War, was killed outright when his plane fell to the ground in the aviation field due to engine trouble. Only two days previously one of the largest Junkers planes remaining in the capital was totally destroyed when it fell to the ground after taking off for a training flight manned by one of the German instructors. The pilot together with one student escaped any serious injuries.

The C. E. R. Is Short of Cash

BY E. U. BARUNG

IN spite of the fact that the general expenditures of the Chinese Eastern Railway have been, since the beginning of the last year, cut down by $25,000,000, the Administration of the railway continues to experience pecuniary difficulties. To say nothing as to satisfying claims of the persons recently dismissed, the railway still has failed to settle accounts with the ex-employees discharged during the past year. Crowds of them have been seen in the street in front of the door of the counting house of the railway. Having lost hope of receiving the total amounts due them, they get at intervals a small part of the sum, which is sufficient to pay only for daily necessaries during a month or so.

At the time they were dismissed these employees entertained hopes of making profitable use of the money which they expected to receive immediately after they had been dismissed. Some of the ex-employees were planning to go to the country, buy land, implements, live stock, etc., and start a farm; others intended to go into business, but their plans have been frustrated. With their funds being held back by the railway, the ex-employees are on the road to impoverishment. Some of them, rather than waiting to receive the money in instalments, prefer to get cash by selling their documents which certify that the railway is their debtor, to moneyed people of Harbin at a discount varying from 25% to 30%.

Projects for Reforms Aiming at Further Slash of Expenses

Discussions of plans aiming at dissolution of the Telegraph Service Department and reorganizing it as an independent operating unit, and making the affairs of this department subject to the Department of Exploitation, are reported to be proceeding smoothly between the Russian and the Chinese officials of the raliway. The reform, if effected, it is said will mean a $300,000 slash in the annual railway expenditure. It is also reported that projects for similarly amalgamating the Revenue Department and the Chief Bookkeeping Office, and the consolidating of the statistical offices of all departments into one statistical office, are also being discussed.

With a view to achieving a still further decrease of expenditure a project for the reorganization of the system of administering the C. E. R. is said to have been put forth and is now under discussion. The project is reported to provide for dissolving the Board of Directors of the railway, and for appointing the Directors, who thus will be released from their original office, to various leading posts in different departments of the railway. The rights of the managing general of the railway, according to the project, are to be expanded. A general plan for conducting the work of the railway is to be devised and, before putting it into effect, approved by a meeting of all the chiefs of the departments of the railway. All important questions that may arise in connection with the railway are to be settled by the same meeting. The Office of the Tupan (the president) of the railway is to remain as it is at the present time. Questions that may arise regarding important reforms of an economic nature are to be settled by agreement between the Tupan and the managing director of the railway.

Harbin, June 23, 1931.

Nanking Denies Reported Details Regarding C. E. R. Redemption

A spokesman of the National Goverment, according to a *Kuo Min* telegram from Nanking on June 24, denied the recent reports detailing the amount and method for the redemption of the Chinese Eastern Railway and characterized them as pure fabrications manufactured by interested parties. The Chinese and Soviet delegates, the same spokesman stated, only discussed the principle of redemption whereas the amount and method of payment are as yet untouched. The 9th meeting of the Sino-Soviet Conference at Moscow was held on the 21st inst. The proposal submitted by both sides concerning the provisional management of the C.E.R. were referred to sub-committees for investigation. The tenth meeting was held on June 24.

Mo Teh-hui, head of the Chinese delegation in Moscow, recently has wired to friends in Harbin that the negotiations for the redemption of the Chinese Eastern Railway have been temporarily postponed owing to the great difference in opinion on the subject which prevails from the standpoints of the Chinese and Russian delegations.

Many Educational Institutions Receive Boxer Indemnity Grants

The Board of Trustees of the China Foundation for the Promotion of Education and Culture, American Boxer Fund, at a mesting held in Peiping June 26 decided upon the following grants to various cultural and educational institutions in China:—School of Engineering of Peiyang University $10,000; Kiangsu Entomological Institute (for 3 years), $5,000; Chekiang National University, $30,000; China Geological Society, $3,600; National Conservatory of Music, $10,000 Hunan Institute of Geological Survey, $10,000; School of Engineering of Tangshan University (Affiliated with Chiao-Tung University), $30,000; Historical and Linguistic Institute of the Central Research Council (for 3 years), $30,000; Museum of Ancient Relics, Peiping, $30,000; Biological Laboratory of Soochow University, $2,000; University of Shanghai, Utopia University, Kwang-Hua University and Great China University each 10,000; Amoy University (for 3 years), $30,000; School of Agriculture of National Chungshan University, Canton (for 3 years), $25,000; Huang-Hai Chemical Research Institute, $10,000; Hupeh Science Laborary, $10,000; Nan-Kai University, Tientsin 20,000; Sino-American Cultural Institute, New York (for 3 years) G. $6,000; North-Western Scientific Expedition (for 3 years), $15,000; School of Medicine of National Central University, Nanking (for 3 years). $30,000.

The next general meeting of the Board is scheduled to be held at Shanghai on January 8, 1932.

Sino-Foreign Newsmen View Film "Trees to Tribunes"

More than 1,600 Chinese and foreign newspaper workers and their guests attended the Nanking Theater in Shanghai on Sunday, June 28, and viewed a moving picture film which was made by *The Chicago Tribune*, entitled, "From Trees to Tribunes." The film, which was about 2,000 feet in length and required thirty minutes to exhibit, showed the complete processes necessary in the production of a modern newspaper. Beginning with the cutting of the trees in the Canadian forests, the audience observed the rafting of the logs down the streams to the *Tribune* paper mill where the spruce timber was converted into white paper. The rolls of paper were then transported across the Great Lakes to Chicago where they were fed into the giant presses of *The Tribune* and in short order appeared on the streets containing the news of the world. The final scene on the film contained an invitation to visit the *Tribune* office in Chicago, said to be one of the most modern newspaper offices in the world. The *Chicago Tribune* and its companion paper, *The New York Daily News*, are the mostly widely circulated newspapers in the United States. The film was shown in Shanghai under the auspices of the Chinese Newspaper Association and the local Shanghai correspondent of *The Chicago Tribune*.

Native Goods Emporium Seeks Nanking's Aid in Closure Incident

The trouble in connection with the forcible closure of the Native Goods Emporium at the New World by the Municipal Police on June 9, remains unsettled despite the Council's concession in permitting the exhibits section of the Emporium to resume business. On June 26, the management of the Emporium submitted a petition to the National Government, asking the latter to take a hand in the dispute between the Emporium and the S.M.C. by sending a formal protest to the Council. According to Chinese reports, similar petitions have also been submitted to the Nanking authorities by Shanghai Special District Party Headquarters, the Shanghai Office of the Ministry of Foreign Affairs, the Municipality of Greater Shanghai and Yu Ya-ching, and several leading business organizations in Shanghai. In the meantime, it is reported that the Council is seeking to arrive at an amicable settlement of the Incident and is now discussing the Emporium's claim for $300,000 damages made by its attorney, H. D. Rodger.

A South China View of the Nanking-Canton Case

BY LI TSUN-CHEUNG

Public attention is focussed on the present political developments at Canton and once again another sanguinary civil war seems inevitable and imminent. Political fireworks in the form of vituperations and accusations, which customarily precede the actual clash, have been liberally exchanged between the contending factions and, judging by the trend of events, the breach between Canton and Nanking has assumed such a magnitude that all earlier hopes for reconciliation and peaceful settlement now appear remote.

The present Canton movement is participated in by leaders representating all political sections within the fold of the Kuomintang united by the common aim of eliminating, by force if necessary, an alleged unscrupulous tyrant in the person of Gen. Chiang Kai-shek whose conduct, according to the published accusations of his political adversaries, is in no way different to that of Yuan Shih-kai. That the fate which rewarded Yuan in his ambition to become Emperor of China was now awaiting Chiang was the gist of the prediction contained in a letter cabled by Tang Shao-yi, one of the active figures in the anti-Chiang movement, to President Herbert Hoover explaining the Canton situation.

The elimination of political opponents for personal ends, a method which Yuan Shih-kai freely practised, is said to have been lavishly employed by Chiang Kai-shek, witness his dealings with difficult members of the Kuomintang, the most prominent being Li Chai-sum and Hu Han-min.

The Accusations Against Chiang Kai-shek

Chiang is also accused of regarding public money as his personal possession, utilised mostly for his selfish ends, such as the prosecution of civil wars and to suppress those who disapproved of his conduct and whom he dreaded might supplant him in his position. This accusation is intensified by the fact that T. V. Soong, his brother-in-law, is the Finance Minister. In other words, it is interpreted as a repetition, though under a changed form and in a more plausible manner, of Yuan Shih-kai's borrowing of the Reorganization Loan from the Consortium.

The foreign policy of Chiang is likewise vigorously assailed and bitterly criticized. Yuan Shih-kai is noted for his compliance to Japan's notorious 21 demands while Chiang has established his reputation for "deadlock" diplomacy. Eugene Chen, Minister of Foreign Affairs of the Canton National Government recently established, was responsible for these charges.

With this phalanx of criticisms and accusations, the Canton Government tries to enlist the support of the whole nation in its endeavors to bring about the downfall and expulsion of Chiang Kai-shek. To the average on-looker, particularly because the movement is inspired by so many Kuomintang leaders well-known and respected as pillars of the Revolution, it seems as if the sympathy of the masses, especially those in South China, lies on Canton's side. But to keen observers, this assumption is not infallible, for Nanking, despite all these vilifications, is not so utterly devoid of its advantageous points in so far as obtaining the public's confidence is concerned, as many may presume. Although elimination of Chiang Kai-shek is the one unifying element, yet it is well-known that there is a strong undercurrent of hostility existing between the various political groups that constitute the present Canton Government, a fact which does not inspire confidence on the part of a section of the far-sighted public. After the expulsion of Chiang—could the movement successfully materialize—what? This is the question which is being asked by thoughtful Chinese. Another civil war after the one now under contemplation to settle differences between the victorious factions would be unthinkable, no matter how justified and righteous is the present movement to oust Chiang and his followers from Nanking. The public is therefore justified to ask and obtain a full assurance that the coming conflict will be the war to end wars in China before support to the new Government could be given.

Again, there is the communist menace, of which the people have had enough. Latest reports from Hongkong state that Chen Tou-hsiu, the well known communist leader, with eight of his adherents has returned to Hongkong from Europe. The report, which was given credence in Chinese circles, further states that Chen, being in possession of considerable funds, intends going to Canton to try to join the Cantonese faction in their struggle against Nanking. Although no official reports have so far been circulated as to the authenticity of this rumor and the attitude of the Canton Government towards Chen, yet unless Canton gives a practical demonstration of its determination to sever relations with communists, despite the emphatic denials of several prominet leaders that they were communists, it would be difficult to eradicate the impression from the public mind that Canton is more tolerant towards reds than Nanking. The creation of such an impression, needless to say, will be anything but helpful to the present anti-Chiang Kai-shek movement, on which the Canton leaders build such high hopes.

Wuchang, June 20, 1931

The Pros and Cons of the Opium "Monopoly"

A Nanking telegram says that the prohibition of opium-smoking, morphine injection and use of heroin and other narcotics will be enforced with greater rigor following the establishment of the new Bureaus for the Prevention of Opium-Smuggling in the Provinces of Chekiang, Kiangsu, Fukien, Anhwei and Kiangsi. The National Opium Suppression Commission plans to effect the complete extermination of the drug evil in six years, in accordance with a resolution adopted at the recent National People's Convention.

Popular Opposition to New Bureau

Claiming that the projected establishment of the Opium-Suppression Bureau by the Government at Shanghai is the first step towards the realization of a Government opium monopoly, which is bound to be detrimental to the opium-suppressing movement and derogatory to the prestige of the Government in the eyes of the world, more than 123 local Chinese trade unions, including the Postal Labor Union, Publishing Labor Union, Rolled Tobacco Labor Union, Cotton Weaving and Spinning Labor Union, the Lumber Merchants Union, Medicine Merchants Union, etc., have joined in a unanimous protest to the Government, urging its immediate action to rescind the order for the launching of such an institution.

The Chekiang Provincial Labor Union has also issued a circular telegram to the Opium-Suppression Commission, pointing out amoung other things that the opium-monopoly project through the institution of opium levies is a gross violation of the Hague's Opium-Supression Treaty as well as the Kuomintang principles.

Geneva Conference Limits Export of Morphine and Heroin

The Geneva conference dealing with limitation of the manufacture of narcotics has adopted, by 31 votes to 6, the Austrian proposal prohibiting the export of diacetyl morphine or heroin and its salts, except at the request of the government of a non-manufacturing country for medical requirements.

Heroin Output Reduced

M. Debrouckere, President of the Drug Conference at Geneva, declared in an interview June 29 that there has been an enormous decrease in the manufacture of heroin. He cited the example of Switzerland, which produced only 40 kilogrammes in 1930, compared with 4,000 kilogrammes in 1929, while the total world requirements were 720 kilogrammes.

Heroin Seizure Made at Pukow

Officials of the Bureau of Public Safety raided the headquarters of a drug ring in Pukow June 25 and made a huge haul of heroin. A sum of $1,000 in cash also was seized. Three alleged leaders of the drug smugglers were arrested and sent to the Nanking District Court for trial.

E. D. Sassoon Banking Co., Ltd., Opens Offices in Shanghai

Commencing July 1 the E. D. Sassoon Banking Co., Ltd., incorporated in Hongkong, June 30, 1930, took over the banking and financial interests of E. D. Sassoon & Co., Ltd., merchant bankers, in Shanghai. The head offices are in Bombay. Similar taking over of the Sassoon interests by the recently created bank took place both in London and Manchester last October. The directors of E. D. Sassoon Banking Company Ltd. are Sir Victor Sassoon, Bart., R. E. Sassoon, F. R. Davey, W. E. L. Shenton, H. H. H. Priestley, A. L. Gubbay, and K. Ho; F. L. Collett has been appointed manager of the Shanghai office.

Chinese Arguments for Abolition of Extrality

BY C. Y. W. MENG 孟昌沐

AS early as 1902, more than a quarter of a century ago, China expressed her strong desire to end extrality in China. Since then she has made many attempts with the different powers in this direction. At all international conferences in which China participated, she has never failed to put before the conference the legitimate aspirations of 450,000,000 Oriental people to abolish extrality. Up to the middle of the year 1931, out of thirty nations having diplomatic relations with China, only six nations still retain extrality, namely, Brazil, France, Great Britain, Japan, the Netherlands, and the United States, with another eight nations, namely, Belgium, Italy, Spain, Denmark, Portugal, Norway, Sweden and Switzerland, promised to surrender extrality as soon as "all the other Powers will do so."

By the resolution of the People's Convention, extrality is to be abolished, under all circumstances, begining from January 1, 1932. We believe this is the last postponement that China can afford to give. It is therefore appropriate if we, for discussion purposes, line up all possible Chinese arguments for the abolition of extrality. We hope our foreign friends will express their opinions on each of our arguments. We believe this is one of the most helpful ways of reaching a conclusion—ascertaining, first of all, public opinion regarding this subject.

(I) First of all, the existence of extrality is an infringement of the sovereignty of China. This is clear and simple enough and needs no further explanation. The foreign powers have repeatedly pledged themselves to recognize the independence and the political and territorial integrity of China, but the existence of extrality in China is both inconsistent with Chinese sovereignty and their pledges.

(2) It is true that during the old days China did sign treaties with some powers providing extrality in China. But the years of 1931 and 1842 are materially different. The well established principles governing intercourse among nations, as stated in international law, clearly provide that a change of circumstances justifies a change in the contractual relations of the nations. This is not only a legal maxim but it is an important practical principle which all should observe. When the Chinese laws were imperfect, China granted extrality to foreigners. But now that she has made a series of judicial reforms, bringing the Chinese judicial system into comfirmity with modern jurisprudence, she can not allow the continuance of extrality.

Out-of-date Treaties Should Be Revised

(3) The Article of the League of Covenant provides for the revision of the "obsolete treaties" among the members of the League. In accordance with this Article, the Chinese delegates to the Conference in September, 1929, proposed that this Article be applied. The Chinese delegates mentioned not a word about extrality because they intended to do away with all infringements upon Chinese sovereignty, as provided in the out-of-date treaties, among which extrality is only incidental. Germany supported China's motion. It is the opinion of the Chinese that if the members of the League have respect for the Covenant and intend to abide with their promises they should at once enter into negotiations with China for the revision of the "obsolete treaties." Otherwise it would be better for the League to strike out this provision from the Covenant, the reason being that it is far better to have no law rather than to have a law which is not being enforced. Otherwise the prestige of the League will be destroyed.

(4) Whenever the Chinese government announced the abolition of extrality, the foreign powers have not lost time in condemning the Chinese "unilateral action" and in saying that "disastrous complication and serious incidents are bound to follow Nanking's declaration."

To this criticism, the Chinese wish to reply that China is not the first nation to have resorted to such unilateral action. As early as 1870, Russia abrogated the provision of the treaty of Paris, 1856, forbidding her to fortify or navigate the Black Sea with war vessels. In spite of protests, the abrogated treaty stood and was duly legalized at the conference of London the next year. Eight years later, Russia again repeated the experiment by abrogating Article 59 of the Berlin treaty of 1878, which evoked only a feeble protest from London, while all the rest of the signatory powers failed to utter a word.

The United States not long ago also indulged in such unilateral action, when Congress, in contravention of the 1880 treaty, passed an act in 1890 to prohibit the entry of Chinese laborers. When the case was contested, the Supreme Court upheld as a matter of law the action of Congress by saying:

> "It is an accepted maxim of international law that every sovereign nation has the power...to forbid the entrance of foreigners within its domains or to admit them only in such cases and upon such conditions as it may see fit to prescribe....
>
> "The provision of an act of Congress must be upheld by the Courts even in contravention of express stipulations in an earlier treaty."

Therefore, the Chinese argue that if it is permissible to stop foreigners from coming into a country altogether, contrary to treaty provisions only ten years old, then it would seem at least equally permissible to take the less drastic measures of exercising jurisdiction over them, when treaty provisions are more than eight times that much out of date.

The next problem regarding extrality is judicial reform in China. On this point, we wish to remind the foreign nationals of these six powers that even in the event that they give up their extrality in China, they are not the first ones to be put under Chinese jurisdiction. We need only mention that the Germans and many other foreign nationals who have been made amenable to Chinese laws have not a single word of complaint. This is sufficient to indicate the efficiency of the Chinese judiciary. If these foreign nationals still maintain that the Chinese government should modify the Chinese laws to such an extent as to suit the foreign nationals in China, we wish to reply that it is not possible for a nation to have two different laws to govern the people within the country, and the Chinese laws are primarily for 430,000,000 Chinese and not for a handful of foreigners.

(6) The Chinese further argue that the treaty of Lausanne between Turkey and the foreign powers promising to relinquish extrality in Turkey was signed three years *before* the promulgation of the Turkish codes. Why then should not extrality in China be abolished two years *after* the promulgation of the various codes? Why is the attitude of the foreign powers so different in these two cases? The only conclusion that the Chinese can infer is that at that time Turkey scored a victory in driving the Greeks out of Turkey, while China did not score such a victory, thus showing to the world that China is now also militarily strong.

So far as legislation is concerned, the penal code, the penal procedure, and the civil procedure codes have all been promulgated. Company laws, and laws concerning commerce, mining, copyright, and patents, prison administration and navigation, have all been revised. In order to provide an efficient judiciary, a college has been established for the training of judicial officers, with a two-year course in practical court work, which only admits graduates of accredited law schools. Over 140 modern law courts have been established, including a supreme court, which have given general satisfaction.

Reforms in prison administration have also been going on steadily. Over seventy modern prisons, with accommodation for 2,500 convicts, have been established in various parts of the country, while more are being remodelled every year. While it is a matter of opinion as to whether or not China's laws and their administration have attained the standards to which she is expected to conform, it is impossible to deny that she has made great progress along the path of legal reform. Even China's severest critics admit that much improvement has been made.

Abuses of the System

(7) The Chinese wish also to point out the various defects of the extrality system. In any lawsuit, if a number of defendants of different nationalities are involved, which is quite common in such cosmopolitan centers as Canton and Shanghai, not only must they be proceeded against in different courts, but their rights and responsibilities must be determined according to the large number of different systems of laws involved. In addition to the confusion, cost, and inconvenience, one immediate result of this multiplicity of laws is that many foreigners can engage with immunity in all sorts of illicit business, either in defiance of law or because there is no law of their own countries that would cover the case. Thus, Italians engaged in the opium trade before October 1, 1921, might have met with no punishment, because no

Italian Law penalizing such trade had been passed before that date.

(8) Another serious objection is that the various foreign laws have to be administered by the consuls, most of whom, being commercial agents, have neither legal training nor court experience. Incompetence is the natural result. Great Britain and the United States have partially remedied this difficulty by establishing special courts in China to assume jurisdiction over more important cases and to hear appeals from local consular courts. But this has not removed another defect due to the difficulty in bringing witnesses from long distances, for the places where the cases occur may be hundreds of miles away from the courts.

(9) The consular judges are under constant pressure to favor their own nationals. Even when the judgment is given, the accused are sometimes sent back to their own country for punishment. Whether the outlaws are duly put into prison or are set free upon their landing, the Chinese plaintiff has no way of knowing.

(10) Extrality on the one hand, provides a shield for fraudulent Chinese to evade Chinese law, and on the other, is a deprivation of the most effective power of the country. Instances are very numerous to show that by merely registering themselves at the local foreign consulate the Chinese could at once claim themselves to be foreign nationals and thus become exempt from Chinese laws. The Chinese authorities are sometimes helpless in dealing with foreign undesirables, because, under extrality, China could not deport them. The only way China can get rid of foreigners, even lunatics or desperadoes or something still worse, is to approach the foreign legations. The result is that practically no foreigners have ever been deported by the Chinese authorities throughout all these years. Consequently, some the foreign journalists feel quite safe when they broadcast falsehoods against the Chinese government.

Under extrality, the Chinese police could not make any arrest of foreign nationals without warrants from the consulate. But it is not infrequent that when the warrant of arrest is issued to the Chinese police, the foreign outlaws have already escaped. In places like Foochow, the Japanese openly establish opium houses, and the Chinese police can not stop them, simply because these Japanese are protected by extrality. This limitation of Chinese jurisdiction manifests some of the most objectionable features of the extrality system when applied in the so-called 'concessions or settlements", within which foreigners have their own police and their own municipal governments.

The Abuse of Extrality

This system, with its inherent and other defects, at once becomes, not only inconvenient, but dangerous when an increasing number of foreigners come into the country, whom China is practically powerless to control. Take the Koreans for example—when they are in Korea they are Koreans, but once they cross the Yalu River, they at once become Japanese, and for all practical purposes, enjoy all the extrality and other privileges of the Japanese, Britons or Americans. This is, perhaps, one of the reasons why over 500,000 Koreans have migrated into the Three Eastern Provinces during recent years. As such immigrants increase and take up more land, so does Chinese territory become Japanese, for the Korean carries Japanese law and Japanese police protection with him when he comes to China. This immigration serves a double purpose: it makes room in Korea for the Japanese and extends Japanese domain in China. This state of affairs is rapidly building up a state within a state, and will soon create another Balkans in the Far East, with all its minority and other dangerous complications. It is bound to prove an additional spark that may soon or later set off the powder magazine in the Far East.

(11) Lastly, Egypt, Persia, Siam and Turkey have all got rid of extrality; China is the only important country in the world to be subjected to the "19th century bondage". This the Chinese consider as the worst kind of national humiliation, and for this reason all Chinese will make desperate efforts to effect its abolition.

It is the conviction of the Chinese that the present state of the Chinese judiciary as well as present conditions in China more than warrant the abolition of extrality. It is futile for the powers to put up various defences such as the military interference, as mentioned in the Report of the Extrality Commission. What the Chinese want is the actual abolition of extrality. The Chinese have agreed to the establishment of special courts to try cases involving foreigners, and to engage foreign legal jurists as advisers. We believe the foreign powers should be satisfied with this. They should realize that in the year 1926, when the Report was made, China was in the grasp of the militarists, and military interference was unavoidable. But could they find any military interference in the administration of justice under the National Government? They must have heard of the famous mandate prohibiting military commanders from interfering with the courts. Should the National Government fail in the negotiations with the Powers in effecting abolition the Government would be discredited. Should the foreign powers insist and interpose obstacles in the way, thus hindering speedy abolition, they would be regarded as very unfriendly to the 450,000,000 Chinese, whose patience will be exhausted and whose indignation must be aroused to take the "unilateral action" of declaring the end of extrality from Jan. 1, 1932.

Nanking, June 25, 1931.

Shantung High Court Reverses Judgment in Japanese Case

The Shantung High Court has overruled the decision of the District Court in the appeal suit brought by the Tsinan Telephone Company against the Japanese Development Corporation in connection with the latter's claim for Yen $20,000 plus interest. The Japanese Company obtained judgment in the District Court a few months ago, when the petition to place an attachment on the property of the Telephone Company was granted. The Higher Court has now reversed the judgmont of the District Court.

National Central University Confers 391 Bachelor Degrees

The fourth annual commencement exercises of the National Central University were held in Nanking June 24. More than 1,000 persons, including Dr. Tsai Yuan-pei, Chairman of the Central Research Institute, and Li Shu-hua, Acting Minister of Education, were present.

Chu Chia-hua, President of the University, in his speech of admonition, advised the graduates to pursue their search after knowledge unceasingly so that they may be able to effect worth-while achievements. Bachelor degrees were conferred on 391 graduates of the eight colleges of the University.

General Tsai Ao's Family Receives Compassionate Grant

In recognition of his meritorious services to the Republic, the National Government has decided to grant a compassionate grant of $800 monthly to the family of the late General Tsai Ao, noted Revolutionary leader. An additional sum of $400 monthly for the education of his children and a contribution of $5,000 towards the expenses for the building of a memorial temple dedicated to the deceased will also be granted. The late General Tsai raised the standard of revolt in Yunnan when President Yuan Shih-kai attempted to become Emperor in 1915.

Japanese Inaugurate a Far East Society

The Far East Society, whose announced purpose is to promote peace in the Far East and to foster friendship between Japan and China, was inaugurated at Tokyo June 27. Some 30 members of the Diet and notable publicists were present. The representatives of the Society will go to China, carrying with them a silver wreath to be placed on the mausoleum of the late Dr. Sun Yat-sen at Nanking.

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WHY NOT COME AND TRY?

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. A. SCHARFFENBERG

Lesson No. XXV

A FEW DON'TS

Endeavor to carry out the following suggestions in your daily work. You will find that it is like oiling a machine—things will run smoothly and better work will be the result.

1. Don't enter or go out of the room, building, or yard, before your teacher. Request your teacher to proceed first and insist on his doing so. Hold to the principle of Teacher First.

2. Don't fail to rise when your teacher enters the room. Greet him with a courteous bow and inquire as to his health and the health of his family.

3. Don't say "you" when speaking to your teacher. Use the term "teacher".

4. Don't be disrespectful. Learn polite talk and use it when speaking to your teacher and others; but do not use this polite talk on your servants.

5. Don't use the class hour in looking up terms in the dictionary. This work should be done out of class hours.

6. Don't let your class hours run into tea parties. There is a proper time for tea parties. Hold your class hours for earnest study.

7. Don't talk to your teacher in a way that will cause him to think that you feel superior to him.

8. Don't cause your teacher to lose face. Save his face at all times and you will be more than repaid. Observe the Golden Rule.

9. Don't permit interruptions during class hours. Instruct your servants to request all visitors to wait until your class work is finished. If necessary post a sign on your door "No Admittance during Class Hours," or "Class Work—Do Not Enter." Have regular hours for your business and regular hours for your language study. When the hour is up release your teacher.

10. Don't expect your teacher to learn the language for you. Respond to your teacher's efforts. A good teacher will get the student to do most of the talking. You learn to walk by walking, and you learn to talk by talking.

CHARACTER STUDY

Character No. 121 (謝4)

To thank, to express gratitude.

Pronounced se

A peculiar combination of 言 words, 身 the body, and 寸 an inch or rule. Perhaps these three characters refer to the custom of expressing oneself for small favors.

Character No. 122 (開1)

To open, to explain, to begin, or found as a dynasty, boiling.

Pronounced k'aI

The picture of the two leaves of a door 門 and 幵 which is to represent the picture of two hands taking away the — bar which is used to shut or lock the door. Hence the idea of to open as a door, or window, and by extension is now used to open up a new country, to open up anything as a box, store, etc.

Character No. 123 (關1)

To shut, to fasten, a custom house, a frontier pass.

Pronounced kwan

The character represents 門 a door and 絲 the means used to close or fasten it up. It was also used in ancient times for a frontier base, and in modern times represents the custom house.

Character No. 124 (頭2)

The head, the top, the chief, the most important, the best, used as an auxiliary word.

Pronounced t'ËV

The character represents 頁 a man's head upon a body. The 豆 in this case is merely of phonetic value.

Character No. 125 (等3)

A step, a class, a rank, a sort, to grade, to classify, to wait, to await.

Pronounced tËn

The character made up of 竹 the bamboo, and 寺 the court or temple where the law was applied. It evidently has reference to the decisions of the judge in announcing the results, the examination results, and of the people who under the bamboos awaited the decision of the judges.

VOCABULARY LIST

310. 謝謝 — se se — Thanks, Thank you
311. 開門 — k'aI mËn — To open the door
312. 開開 — k'aI k'aI — Open up, to open. Also used to wind a clock
313. 開口 — k'aI k'ËV — To open the mouth
314. 開心 — k'aI sin — To open the heart, to be merry
315. 開水 — k'aI ʃuËI — Boiling water
316. 關門 — kwan mËn — To close the door
317. 關上門 — kwan ʃan mËn—Shut the door
318. 關心 — kwan sin — To be interested in or troubled about some friend or matter
319. 上頭 — ʃan t'ËV — Above, on top
320. 頭上 — t'ËV ʃan — On the head, on top
321. 下頭 — ʃiɔ: t'ËV — Below
322. 頭一個 — t,ËV i' ko — The first
323. 頭一件 — t'ËV i' tzen — The first thing to be done
324. 裏頭 — li t'ËV — Inside
325. 外頭 — uaI t'ËV — Outside
326. 頭等 — t'ËV tËn — The best quality
327. 頭名 — t'ËV min — First in rank
328. 等一等 — tËn i tËn — Wait a little
329. 上等 — ʃan tËn — The best or upper class
330. 中等 — tzɔ:n tËn — The middle class
331. 下等 — ʃiɔ: tËn — The lower or inferior class
332. 一等 — i' tËn — First class
333. 二等 — Ër tËn — Second class
334. 三等 — san tËn — Third class
335. 等不來 — tËn pu' laI — Can't wait
336. 等到明天 — tËn taV min t'Ën — Wait until tomorrow
337. 等到後來 — tËn taV RËA laI — Wait until later
338. 前頭 — ts'en t'ËV — Before, in front
339. 後頭 — RËV tËV — Behind, after
340. 頭一天 — t'ËV i' t'en — The first day

SENTENCE WORK

267. 先生坐那一等 —What class are you going?
268. 我坐二等 —I will go second class
269. 請你在前頭走 —Please take the lead
270. 謝謝我可以在後頭走 —Thanks, I can walk in the rear
271. 出去的時候請先生關門 —When you leave please close the door
272. 我們來了請開門 —We have arrived, please open the door
273. 在外頭不好 —Its bad outside.
274. 在裏頭很好 —Inside it is very nice
275. 頭一件事是吃飯 —Our first business is to eat
276. 這是上等的飯很好吃的 —This is first class food, it tastes good
279. 請吃 —Please eat
278. 好好我們就吃 Very well, we will eat then.

These simple lessons in the Chinese written and spoken language, the first of which appeared in *The China Weekly Review* on Jan. 17, will appear throughout 1931. Persons interested in a more intensive study in class work or by correspondence are requested to communicate with Prof. Scharffenberg, are THE HOME STUDY INSTITUTE, No. 25 Nihgkuo Road, Shanghai.

The Kailan Mines; Their Recent Controversy*

BY EDWARD HUNTER

A Tientsin telegram states that the Hopei Provincial Department of Reconstruction has despatched a special deputy to investigate into conditions at the Kailan Mining Administration, with a view to drafting a program of control over the mining area. Plans, when completed, will be submitted to the Ministry of Industry for approval.

THE Kailan Mining Administration, by far the largest coal interest in all of China, has just settled a costly controversy with the Peiping-Mukden Railway, which included as a side issue an even more expensive labor agreement. There were so many obscure and unusual factors to the entire affair, which challenged, and yet were hid from, public attention that I decided to make an intensive journalistic investigation at Tientsin, where both sides have their headquarters. I wanted to know why it seems to be impossible to hear mention of a Kailan incident without somebody in a surreptitious manner bringing in the name of Herbert Hoover, president of the United States. I wondered why so unflinching and resolute a news organization as the semi-official *Reuter* agency dodged the entire matter. The man in the street is tempted to wonder why, in brief, the entire problem seemed so touchy and surcharged with inflammable matter.

Coincident with the recent dispute copies of a political propagandist book which is being given widespread circulation in America were received in China. The book is entitled "The Great Mistake," and in a red band about the paper cover are the words: "Can Herbert Hoover Explain His Past?" The publishers are the so-called *National Foundation Press, Inc.*, which gives its address as 1410 H. Street Northwest, Washington, D. C., a few minutes' walk from the White House. Presumably the book was written in preparation for the approaching presidential campaign in the United States. But its interest for China is based on the fact that its bulk is given over to Mr. Hoover's youthful connection with the coal mines now controlled by the Kailan Mining Administration. The author, "John Knox," writes without literary taste, but makes serious accusations which are so involved and incomprehensible to a layman who has not received a legal training that they leave a bad taste in his mouth—dissatisfaction both with the confusing charges, and the fact that it was possible for them to be made in the first place.

The recent dispute, nevertheless, cannot by any stretch of the imagination be connected with anything Mr. Hoover did, except for his being the medium through which the British firm was brought into being slightly more than 30 years ago. My original intention was to write an article only on the recent controversy, but the ancient history persisted in intruding itself like an unwelcome guest who just couldn't be kept out. There is only one way to deal with such matters, and that is to bring them out into the open, to pin down those phases which are gossip, malicious or otherwise, and reveal wherein the facts lie. This must be done in simple enough language so that the average man will not have to employ a lawyer to find out what it all means, before he is able to exert an influence of fair play. Therefore this first article shall concentrate on the recent controversy, and a subsequent article shall deal with the 1900 affair, when Mr. Hoover was merely a promising young man "from the States."

How the K. M. A. Was "Starved" Into Submission

A check for $1,200,000 was handed to the Peiping-Mukden Railway by the Kailan Administration a short time ago, soon after a new labor agreement had been signed, and in most respects this was so favorable to the demands of the Chinese that it was almost precedent-setting. The original demand only was for $100,000 more, and the slight reduction appears more "face-saving" to the K. M. A. than otherwise. The means by which this surrender was forced on the powerful firm were as simple as a boycott, and in fact consisted of a "go slow strike" by the railway against the Kailan interests. The firm can ship its product only by the railway, and when the latter almost suspended traffic facilities, the Kailan people were "starved" into submission.

A significant factor was the stand of the British Legation on the matter. It took the position that it was up to the firm to settle its own quarrels and not up to the British foreign office to step in. The legation declared at Peiping that it was taking no action in the case and merely was watching as an interested spectator. A reply to a query in the House of Commons in London was that the matter was being looked into by the British minister, but outside of looking, if he really did look, nothing was done. This is a far cry from the days of yore when legations stood by their firms like jealous parents, tolerant of no criticism nor correction, just or otherwise.

Another instructive phase to the matter was revealed, and this was that the human element entered into the outcome of the case as much or more than the legal. It should be a clue to all dealings with the Chinese. "You know we are quick to react to your moods; we are emotional people, and sensitive, too." an important Chinese frankly declared in discussing this phase, which had been rumored in foreign circles as well. "The cause of the dispute already was several years old, and who can tell, it might have dragged on several more, if the attitude taken toward us had been different than it was."

It was an expensive lesson. It has been a difficult matter for strong vested interests to appreciate that they no longer are sacrosanct institutions, and they no longer can assume an attitude of resentment over questioning or criticism. T e foreign firms today are forced to stand on their own legs, and instead of having the odds in favor of them, have them against them.

There is no question but that the K.M.A., deprived of vital railway facilities, and under pressure to settle the matter as promptly as possible with as little prominence given the case as possible so that nothing embarrassing might be revived, had no other alternative but to pay and to accept most of the demands presented on behalf of the workers. There was no arbitration over the money payment, the matter was not argued over a round table. The railway made its demands, withdrew its service, and waited for the K.M.A. to announce that it was writing a check. Assistance was given the railway in its contest by a number of smaller coal mines in North China some of which are partially owned by Manchurian officials.

There are two sides to every case, and because of the ramifications of the K.M.A. and the significance of this capitulation in the business world of China, they shall be given in detail.

The Chinese Position

The Chinese position is expressed in the following vein:

The money was demanded primarily for two reasons, first for delay in releasing freight cars, and secondly because a rebate was given to the Tsin-Pu Railway on purchases of coal, which made the price paid by them actually less than that charged to the Peiping-Mukden line.

The Peiping-Mukden and the coal mines have a parallel history. In fact the former was started originally as a part of the development of the latter. Some years ago an agreement was made whereby the K. M. A. would buy its own freight cars, numbering several hundred, which would be marked with the company's insignia of a black diamond and in addition would be given reduced freight rates ranging from more than 20 per cent reduction from the mines to the port of Chinwangtao, and a cut of from 5 to 10 per cent on shipments to Tientsin.

This was to enable competition in export trade against the Japanese coal mines in Manchuria. Only one other mine has similar privileges, and that is the Peipiao. But the Peipiao is half owned by the Peiping-Mukden Railway, is a far less advantageously located enterprise, and is much smaller. In 1928 the Kailan produced 4,958,000 tons of coal, whereas the latter reported a total of only 367,009 tons.

In return for these privileges, the K. M. A. agreed to give the railway special rates on lump coal for use in locomotives. It was implied, although not definitely stated, that the K. M. A. would not sell other railways cheaper than they do the Peiping-Mukden. But several months ago the Peiping-Mukden learned that the Tsin-Pu line was receiving a rebate which made its price lower. Whether the reduction given the latter was "squeeze" or a rebate to enable the K. M. A. to collect back debts did not matter—the fact remained that the Tsin-Pu was buying K. M. A. coal cheaper than the Peiping-Mukden. Whether this was stipulated in the agreement or not didn't matter; it was morally unjust. Therefore $500,000 of the $1,200,000 collected represented what the Peiping-Mukden had overpaid if they had been charged the Tsin-Pu rate.

Secondly, the agreement included a demurrage clause, although minute details were not mentioned, under which

*A subsequent article will be contributed by Mr. Hunter under the title of "The Kailan Mines and Hoover."

the K.M.A. was to be charged a specified amount for detaining cars more than 24 hours, The point at issue was whether this charge was to be calculated on the average or on the basis of each individual car. The K.M.A. insisted it should be the former; the railway the latter. The railway contended that as careful records were kept of each car's arrival and despatch, payment should be made on that basis. About four years ago the railway began to send in bills for demurrage, but failed to collect. This, left unsettled for years, became a talking point with every successive head of the Peiping-Mukden line, who criticized his staff for permitting the bills to pile up.

There were other minor points in the controversy, such as claims for houses which had collapsed due to undermining by coal pits.

The agreement was to come to an end in June, so the railway decided to enter its claims and then open a new page. But the K.M.A. officials refused even to talk about the matter. They took the attitude of: "Well, what are you going to do about it?" So the Chinese decided to "call their bluff." The railway had plenty of its own cars requiring repairs, and so it just happened not to find time to handle those belonging to the K.M.A. The retaliation was in the form of non-cooperation. As the deadlock continued, coal shipments began to dwindle, although they never completely stopped. They dropped from an average of 12,000 to 14,000 tons a day before the controversy, to from 3,000 to 4,000 tons.

Then, to avoid blame for causing a coal shortage, the railway asked the assistance of Chinese mines. They agreed to send from 3,000 to 4,000 tons of coal a day, selling even at a loss if necessary, merely for the sake of assisting the fight against the K.M.A.

"The fact that when we got the $1,200,000, we immediately alloted $500,000 for welfare among our employes proves how much it became a matter of principle with us," said a railway official.

The Foreign Version of the Dispute

Foreign circles have their own version of the controversy, which in gist includes the following contentions:

The Tsin-Pu was not receiving coal at a cheaper rate than the Peiping-Mukden line. All that happenud was that the former railway owed a large bill to the K.M.A., and as collections are long drawn out affairs in China, and often do not eventuate at all, the rebate was given to facilitate payment. The K.M.A. agreement with the Peiping-Mukden line did not bind the firm regarding coal rates in any manner whatsoever. However, even so, no other firm received a cheaper price than the Peiping-Mukden.

As to the demurrage, this was largely a penalty for efficiency. The K.M.A. experts devised a system of handling shipments whereby instead of returning each car in rotation, which meant a large amount of side-tracking, the last car in was the first one to be sent back This meant there was virtually no side-tracking at all, and an enormous amount of extra work was saved. However, the first cars to arrive might consequently remain where they were, well over the specified 24 hours, but they were not representative of all. An average showed that the K.M.A. has a quicker turn-over than any similar property in the entire world.

"Therefore," they say, "it does not seem right to penalize us for not doing better, when we already are faster than any other similar company. Also, no other railway in the world charges on the basis of individual cars; it is always a matter of averages. It seems peculiar that only in China is that not done, but collections are made on individual car-loads instead."

The foreign circles also declare that as a matter of fact there was no controversy about the money payment. There was no discussion, for the railway, once having handed in its bill, refused to argue the matter further, said "pay up," and waited. Settlement was not by reason or argument, nor yet by arbitration, but by payment.

Foreign circles in Tientsin point to the need of the railway for large, immediate financing. The Hulutao Harbor construction, which is being financed by the Peiping-Mukden line, must be paid in gold dollars, whereas the railway makes all its collections in silver. Consequently it was confronted with the problem of getting money somehow, and quickly. It simply had to have money, and that was all there was to it. One reason was as good as another.

This summarizes the position of both sides of that part of the controversy, but a side-line which became even more important than the main dispute was the labor question. The K. M. A., admittedly is more advanced than any other coal concern in all China, so far as treatment of workers and pay are concerned. The Japanese give higher wages in Fushun, but living is far more expensive in a territory where Japanese influence is felt, such as Manchuria. The Chinese as well as the foreigners admit as much.

The Labor Question

The workingmen won another substantial victory as a result of the controvesy. Demands were put forth on their behalf as a variation of the "sympathy strike" against the K. M. A. When the railway reduced its service, the K. M. A. announced a reduced working week, cutting off two days a week, so that it would not have too great a pile of coal on its hands. This aroused the ire of the workers, and enabled the two disputes to be advanced simultaneously.

As a result of the new labor agreement which is retroactive to June 1, the K. M. A. will have to pay out $1,500,000 more a year. This money will be largely in the form of pay increases, amounting in $1,050,000, and the rest will be New Yew bonuses for men working under contractors.

Wage increases for miners amounted to from 8 to 12 cents a day. The increase specified amounts to 8 cents a shift, which is about 8 hours. The men work about 45 shifts a month, and in actual working time put on the job total about 7½ hours a day, according to K. M. A. This compares favorably with hours abroad, but miners in China work Sundays as well as any other day. They get, however, six national holidays a year.

The hope of the K. M. A. is that the time will come when the workers will be able to go on steady 8 hour shifts at piece work. But whether this is suitable to China is a question. Under the agreement the firm consents to take steps toward the gradual elimination of the contractor system, under which Chinese contractors are paid on the piece basis, and they in turn pay their men, whom they employ themselves.

The Kailan mines date back four or five hundred years, although mining by comparatively modern methods started in 1877. Through the centuries a system of contract labor grew up which operates today whenever large gangs of unskilled workers are needed, from irrigation canals to highway construction, from dike building to coal mining.

Such a system, handed down over so long a period, often from father to son, cannot be overthrown by a mere decision to do so, or by the signing of a document. Things aren't done that way in China. The abuses which grew up throughout China under this system, whereby the bulk of the workingman's already meager wage reached the pockets of the contractors and stopped there, instead of proceeding to the laborer, can be imagined, and is well known to all engineers in the country.

K. M. A. Minimizes Abuses

The Kailan company, and this is admitted by both Chinese and foreigners, have minimized the abuses to a large extent. It has required that a certain minimum pay be given to the men under the contractors, and by making it possible for workers to boycott unscrupulous contractors, have forced the latter to step into line or lose their contracts with the K. M. A. by failure to live up to their agreements.

Tht contractors are given a certain task to do within one shift. An efficient gang of workmen can finish it in four hours. A gang goes to work at 6 a.m., and having done the task by 10 a.m. or a little after, proceeds to go to sleep and to eat for the remainder of the shift. The men then do not leave the pit. The weather often is better down there than outside, as it is regulated at 60 degrees Fahrenheit, which is cool in summer and warm in winter. After the end of the 8-hour shift, instead of going home the same gang will tackle another shift, making nominally a 16 hour day in the pits, but in actual work something entirely different, because of the prolonged period of rest between. Through this system they average about 45 shifts a month.

The K. M. A. for years has been attempting to put in a registration system, as this would bring the workers more closely in contact with them. This until now has been bitterly opposed, but peculiarly enough was readily agreed upon this time. The secret was that the Chinese authorities themselves became desirous of this, but knew that if the firm alone asked for it, the workers, naturally suspicious, would balk, but if presented by them also naturally would be acceptable.

It is stated that part of the opposition to the registration was fostered by communists and other agitators who feared that they might be more easily detected. However,

it does not require much insight into realities to realize that although registration is necessary in modern enterprises, for at least a firm should know whom it employs, registration can be the means of severe abuses, not only by "big business" but by politicians and labor leaders who might have other connections.

It is calculated roughly that the average Chinese miner under the contractor system should get about $22.50 a month, although certain branches obtain as high as $30 in some instances. The K. M. A. has about 40,000 men on its payrolls. The rapidity with which labor is advancing in China, although still very, very far indeed from high standards either in compensation or achievement, is evidenced by the statement made to me by one who is in a position to know, that the K.M.A. payroll has increased 42 per cent in the last five years, although the number of workmen has not materially changed.

Organized labor in China, which has won these advantages, was not in existence not so many years ago. A feeble labor union organized in 1922 was the beginning in the K.M A. Now not only are they well organized, but are under government supervision, which stipulates what steps must be taken in case of labor disputes, and makes numerous other regulations as well.

K. M. A. Engages In Welfare Activities

The firm engages in numerous welfare activities for its men, which although not on the scale of the Occident, is superior to what is done elsewhere in China. The standard working day is 9½ hours. The firm provides hospital facilities, arranges residential accommodations, compensates for injuries, operates a provident and gratuity fund, and does much else.

Co-operative stores are conducted, and the firm takes advantage of the assistance given by the economists of Nankai University to keep a close watch on living costs so as to adjust prices charged in the co-operative shops.

In fact, the K. M. A. is a little world of its own. The port of Chinwangtao, for instance, exists principally for Kailan exports, and was built up virtually entirely by the K. M. A., which owns the harbor works and buildings as its own private property. At the mines its possessions are as equally wide-spread.

The mines suffer, nevertheless, from political and military disturbances as do other enterprises. Military authorities in control of the Kailan mining area were changed six times since 1928. When Marshal Yen Hsi-shan recently was battling General Chiang Kai-shek, banditry was rife in the entire area, and agitation increased until attacks were made on trade unionism, the Kuomintang, foreigners, and most everything else.

There are many anomalies which handicap reform, particulary where age-old custom is combatted. Everything must be done as simply as possible so the miners may not misunderstand. There are numerous evils which exist solely because they have always existed, and which the K. M.A. declares it self anxious to remedy; as for example, the fact that in some instances there are different rates of pay for the same work. But as this has always been so, to raise one without raising the other proportionately results in trouble, even if the raise is given to the side which has the disadvantage. The others demand retention of the discrimination because it is custom.

Chinese when discussing the Kailan situation invariably admit the comparatively advanced labor policies of the firm. However, they just as often remark that the Chinese nevertheless are dissatisfied, and agree that details which might pass unnoticed or be winked at under ordinary circumstances are liable to give offense and to be pounced upon because "we believe that the mines were taken away from China in the first place without justice, and that consequent good behavior cannot excuse such an origin."

It is thus that the name of Mr. Hoover always enters the discussion, and for that reason just what happened should be brought out into the open. This would be only fair to the American and Chinese publics, Mr. Hoover and the K. M. A.

Japanese in Chapei Refuse to Pay Chinese Municipal Rates

Kuo Kin says that the water supply for Japanese residents in the Municipality of Greater Shanghai will be cut off at the end of this month if they continue to refuse to pay the municipal rates. It is stated that the Japanese mi[illegible]ls in Pootung and the Japanese residents in Chapei have b een persistently ignoring the request of the Bureau to pay the municipal rates. It is understood, says *Kuo Min*, that British and Americans similarly circumstanced have paid the municipal rates promptly.

St. John's University Holds 52nd Commencement Exercises

St. John's University held its 52nd commencement exercises June 27, the principal speaker being Dr. C. T. Wang, Minister of Foreign Affairs. The exercises were held in the Auditorium of the Social Hall and hundreds of guests, many of them members of the alumni, were present to witness the handing of diplomas to the large class who had qualified for B. A, M. A., B. S., B. D., and D. S. degrees.

Dr. C. T. Wang in the course of his remarks referred to the fact that St. John's had not conformed to government regulations and therefore was being treated as an unregistered school. However, the refusal of the Examination Yuan, he said, to recognize St. John's diplomas did not imply the least desire to disparage this honorable institution. However, he said he anticipated that there would be some difficulties for those members of the graduating class who intended to join the civil service.

William Z. I. Zung, acting President of the University, presided at the exercises. Yu Hun, chief secretary of the Greater Shanghai Municipality, spoke on behalf of Mayor Chang Chun, who was unable to be present.

Members of Sino-French Scientific Expedition Quarrel

Dr. Chu Min-yi, leader of the Sino-French Scientific Expedition, has despatched a telegram to the French Minister, M. Auguste Wilden, reporting on the events leading to the split between the French and Chinese members and stating that, pending the solution of the trouble, he is forced to declare Sino-French cooperation in the Expedition suspended. Moreover, Dr. Chu stated, fighting between local bandits and the Government forces has broken out near the Kansu-Sinkiang border, rendering it impossible for the Expedition to advance further.

Reviewing the organization of the Expedition, which was intended to foster closer friendly relations between the two countries besides its avowed scientific objects, Dr. Chu related how the French members violated all terms of the agreement by taking control of everything, relegating the Chinese members to the background. The radio was frequently used to send off messages without the knowledge of the Chinese members and efforts were made to leave the Chinese party behind while the French proceeded to Sinkiang. Later, Ho Ching-sheng was assaulted by Lieutenant Point, while Chou Pao-han was forbidden to receive or despatch any message.

Skeleton of Tsai Kung-shih Exhumed in Tsinan

Among a number of skeletons exhumed in the compound of the former Shantung Provincial Bureau of Foreign Affairs, at Tsinan, recently, was one which was declared by the widow to be that of the late Tsai Kung-shih, commissioner of foreign affairs, who together with several members of his staff, met death at the hands of the Japanese troops during the Tsinan incident in 1927. A detailed report of the dicsovery is being sent to Nanking and Mrs. Tsai is also returning to Nanking to make a report to the Ministry of Foreign Affairs,. A monument to the late General Tsai was recently erected in Tsinan. In Shanghai the Kung Shih Memorial College was founded in his memory.

Widow of Airplane Victim Sues for $50,000

The widow of Yin Wen-lung, who was killed last year as the result of the airplane accident during which General Hsiung Shih-hui and several other passengers were also seriously injured, has filed suit at the Special District Court in Shanghai, for $50,000 compensation against the China National Aviation Corporation. According to Mrs. Yin's petition, her late husband met death due to the carelessness of the pilot.

Soviet Extends Air Service in Central Asia

A Moscow telegram states that work has been started on the construction of a number of airdromes in Russian Central Asia in preparation for a further extension of the existing air-traffic facilities. At Tashkent, Samarkand, Stalinabad, Termes, and several smaller places the new airdromes will be ready for use within the next few months.

Trial of Three U. S. Marines Is Begun

The trial of three U. S. Marines who were concerned in an affray at the corner of Avenue and Gordon roads on the night of May 26 was commenced in the recreation room of the Regimental headquarters billet, Shanghai, June 30. According to an official statement issued at the Fourth Marine headquarters on the day following the affray, Private Daniels, of the 20th Company, was riding along Avenue Road in a public ricsha about 10 p m. when his hat dropped off. The hat was picked up by a Chinese youth and a dispute followed. Private Dominick, of the 26th Company, happened to ride by in a ricsha just at this time and stopped to aid his friend. These two were later joined by Corporal Moon, of the chaplain's office, and a fourth private. A general affray ensued and continued until the four marines managed to get away. When the crowd cleared, two Chinese, a tailor shop keeper and an apprentice, lay wounded on the pavement and have been receiving medical attention ever since.

China Mission Investigators Return to the United States

The Fact Finding Commission of the Institute of Social and Religious Research of New York, which for the past half year has maintained an office in Shanghai, in connection with an investigation of the status of missionaries in China, has finished its work, and the foreign members of the Commission departed from Shanghai for the United States end of last week. Another commission of appraisers, whose business it will be to verify the facts thus far collected, is due to arrive here in October. Similar commissions are making investigations in Japan and India. The China staff of the commission is headed by Dr. H. Paul Douglas, who returned to the United States several weeks ago.

Radio Corporation of America Is Successful on License Issue

The Federal Radio Commission decided June 24 that the fact that the Radio Corporation of America in selling its tubes and other patented products under a plan declared by the courts to have established a monopoly, does not constitute grounds for the concellation of broadcasting licences. As a result of the decision of the Federal Radio Commission the broadcasting by the National Broadcasting Company and other subsidiaries of the Radio Corporation of America will continue unhindered.

U. S. Increases Duty on Dried Egg Products

President Hoover last week issued an executive decree proclaiming an increase in the American import tariff on dried eggs from G.$0.18 per pound to G.$0.27 per pound. Nearly all the dried egg products used in the United States come from China. Bakers and confectioners in the United States opposed this tariff increase but American poultrymen on the Pacific coast declared that their industry would be ruined unless they received protection from the import of egg products from China.

Shanghai French Radio Station Ceases Sending Commercial Messages

The French Legation has notified the Ministry of Foreign Affairs that the Koukaza Radio Station operated by the Municipal authorities of the French Concession, Shanghai, ceased transmission of commercial messages June 15. The messages now handled by the Koukaza station are limited to official bulletins and weather reports only, it is stated. The French radio station was set up at Koukaza over ten years ago and has been the subject of repeated protests by the Chinese Government.

Morgan Syndicate Furnishes Huge Loan to Formosan Electric Company

A syndicate of banks headed by J. P. Morgan and Co. offered in New York on May 25 G$22,800,000 worth of 5½ per cent forty-year gold bonds, on behalf of the Taiwan Electric Power company, to assist in the hydro-electrical development of Formosa. The bonds, which are unconditionally guaranteed by the Japanese Government, were offered at 93½. The loan was over-subscribed.

22,000,000 TAELS

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SHANGHAI Telephone Company is spending no less than Tls. 22,000,000 in its efforts to provide Shanghai with a telephone service which, within two years from last August, will compare favourably with the best systems in the world. By the summer of 1932 Shanghai is to have an automatic high-speed telephone service. From a capacity of 30,000 lines the new system will expand to the capacity of 125,000 lines, involving the building of new exchanges and the installation of a large amount of automatic switchboard equipment and the redistribution and laying of thousands of miles of underground wires..... .....

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

57-225

Vast Growth of Cigarette Consumption Provides Important Source of Revenue

BY PEI-YU CHIEN

IT may not be amiss to remind the reading public that tobacco, as a twin brother of wine, is not a daily necessity, in spite of its extensive use and continual presence in every home and at every social gathering. Owing to the narcotic properties that it contains, it is harmful to the health of man in case of excessive indulgence. Children should especially abstain from using it. From a purely economic point of view, it is a great waste of money. The total imports of tobacco amounted to over sixty-six million taels in 1928 and forty-eight million taels in 1929, the decrease in the latter year being most probably due to the increase of native-made products. It is to be noticed that the quantity of imported tobacco represents only a small proportion of the total amount of tobacco that is actually consumed in this country. For instance, the British-American Tobacco Company, which is the biggest foreign manufacturing firm in the tobacco industry in China, manufactures every year a very large amount of cigarettes in China from leaf tobacco that is largely raised locally. Their imports represent only one-tenth of their total output each year. So, while the writer has no available figures on hand, it can well be imagined that many hundreds of millions of dollars are "burned up" every year by our people through a few whiffs each day!

The use of tobacco, being usually tolerated as an innocent pastime, has given to this product an extensive and growing influence over mankind. For this reason, tobacco has been selected as an object for government taxation. In nearly every civilized country, taxation on tobacco forms an important item of the main sources of government revenue. According to the latest available statistics, Great Britain derives approximately sixty-three million pounds sterling each year from this form of taxation while the United States of America derives from this source the equivalent of almost ninety-eight million pounds sterling every year. Germany also nets approximately forty-seven million pounds sterling per annum from tobacco tax. In China, this form of taxations is as yet in its rudimentary form, but with scientific treatment and efficient administration, it has a great future.

Chewing Not Popular in China

Tobacco is being used in many forms. In certain countries tobacco is used for chewing, which is not popular in China. Snuff, whether for the jade bottles of the Manchu officials or for the small gourd bottles of the common people, will soon be a thing of the past. Tobacco is now commonly used in three forms: the cut tobacco, cigars and cigarettes. There are numerous kinds of locally-produced cut tobacco. It seems that the people in each province have a peculiar liking for a certain brand. Then there are a number of brands of imported cut tobacco. Cigars are usually imported and are used largely by "perpetual" or heavy smokers.

Cigarettes, which were introduced into China only about two or three decades ago, have grown to be the most favored form of tobacco, having replaced both the crushed tobacco leaves smoked in long bamboo pipes and the finely cut thread-tobacco smoked through brass water-pipes. Owing to its convenient form, which is said to be the most ingenious thing that the wit of man has so far invented, the cigarette is bound to enjoy a still further growth in popularity. Cigaretles can be put in a diamond-studded silver case and carried in a lady's beauty bag or carried by man in his vest-pocket in a tin box or a paper package. They can be smoked anywhere, in street cars, at the dining table and in the theatre.

There are at present about seventy or eighty cigarette factories in China, among which the British-American Tobacco Company, the Nanyang Brothers Tobacco Company and the Hwa Ching Tobacco Company enjoy the leading roles. Among these three companies, the British-American Tobacco Company is by far the most influential. It is a British firm. It has a large number of factories in different provinces, and its branch offices are scattered all over the country. The Nanyang Brothers Company was first started by Kam Chow-nam, a wealthy overseas Chinese, and his brothers, with an initial capital of $100,000. Its business has since gradually expended, and the present paid-up capital is $15,000,000. But it has recently suffered heavy losses through labor troubles and unfavorable business conditions. The Hwa Ching Company is a comparatively new firm, but owing to sheer business acumen and skilful sales tactics, its is said that its annual output has overtaken that of Nanyang Brothers.

Tobacco is said to have been introduced into China from Manila about beginning of the seventeenth century. It has since spread all over the country, and has grown into a great number of varieties under different climates and on different soils. Since the introduction of cigarettes into this country, the British-American Tobacco Company has seen the advisability of introducing foreign seeds into China for local planting. So Virginia seeds were first sown at Fangtse, Shantung, in 1913 for experimental purposes. The results of the experiment were exceedingly satisfactory and the farmers, having received great encouragement, gradually turned their wheat farms into tobacco plantations. The British-American Tobacco Company soon established a factory there for the purpose of manufacturing cigarettes from leaves collected locally. This example was soon followed by Nanyang Brothers and other companies. So the province of Shantung has become the greatest tobacco producing centre in China. At present, practically all brands of cigarettes in China are made from native tobacco, except the best grades, which have to be manufactured from imported tobacco leaves, and this will continue to be the case for a number of years.

It is to be noticed that the system of taxation on tobacco in China has undergone a number of changes, and will undoubtedly call for further alterations hereafter. Even at the present stage, when the system of Consolidated Tax has been promulgated by government order, there are a number of provinces, such as Szechuen, Shensi, Kansu, Yunnan, Chahar, and Suiyuan, in which the authorities are still adhering to their own methods of collecting taxes. In this connection, a brief history of the past conditions will be profitable for a understanding of the whole situation.

Taxation on tobacco was first started in the concluding year of the Tsing dynasty, and throughout the first few years of the Republic it was levied through the Bureau of Tobacco and Wine Taxation, which was a collateral institution of, but not subordinate to, the Ministry of Finance. The office of Tupanship of this bureau, as any other revenue-producing office, was usually regarded as a very lucrative position. At this time, taxation on tobacco was limited to native tobacco, as imported tobacco under the production of treaties paid an import duty of only five per cent ad valorem There were no standard tax rates on various grades of the native product. A system of farming was also in existence in many provinces.

Tobacco and Wine Taxes Separated in 1921

The tobacco tax was first separated from that on wine in 1921 when the government first realized the greater possibilities of this particular source of revenue. At this time the decentralization of government powers became more and more apparent. Government orders were obeyed only within the walls of the capital. Militarists became feudal princes in their respective provinces. Personal ambition and avarice compelled them to levy upon all tangible things upon which they could lay their hands. So rolled tobacco, chiefly cigarettes, became a special object of attack. A Special Tax was levied on cigarettes. This special tax, which was first levied in Chekiang and later introduced into Kiangsu, Hupeh, Chihli, Shantung, Honan, etc., aroused a number of protests from the British and American Minsters who contended that they were not in accord with treaty stipulations.

The old Peking government, under the pressure of the foreign diplomats, wired to the provincial governments for explanations. We find in this connection a rather interesting argument in support of the Special Tax, though it is somewhat sophisticated when one takes into consideration the usual greediness of the provincial rulers. This argument, which was advanced by Chi Hsieh-yuan and Han Kuo-chun, military and civil governors respectively of Kiangsu, reads in part as follows: "The Washington Conference on Pacific Affairs held in 1921 and 1922 passed a resolution to the effect that a Special Tariff Conference should be convened in China within three months after the signing of the Nine-Power Pact for the purpose of devising means of providing additional revenue for the government of China. Now many months have passed without the slightest indication that the Special Tariff Conference would ever be held. This delay has caused immense distress to both the Central and the Provincial governments. At present, all taxable com-

modities have already been over-taxed. The only article that is fit for additional taxation is rolled tobacco. Moreover, tobacco is an article of luxury. It drains the resources of the people. The harm that is done to the nation by cigarettes is much worse than that of opium. In view of these considerations, the provincial government of Kiangsu, in deference to the earnest appeals of the various chambers of commerce and with the due approval of the House of Representatives of Kiangsu, have found it necessary to levy additional taxes on rolled tobacco to replenish the provincial exchequer and to aid the educational institutions of the province. If. in the near future, the Powers could see their way to expedite the Special Tariff Conference and to provide additional revenues for both the central and local governments, as already agreed upon at the Washington Conference, the government of Kiangsu would be perfectly willing to discontinue the collection."

Of course, the Special Tariff Conference was not convened until several years later. The British-American Tobacco Company, who were most concerned with this special tax on rolled tobacco, offered to pay an additional amount of surtax at the customs barriers in lieu of the special taxes; and in case of native products, to pay a lump tax in place of other inland dues. But the provincial authorities were at all times reluctant to give up local taxation for the benefit of the central government.

After the establishment of the National Government in Nanking, the central authorities at once called for proposals and schemes for improving this particular source of government revenue. A number of plans were consequently submitted to the Ministry of Finance for approval. The Ministry, after careful consideration, decided to adopt the system of levying a Consolidated Tax on rolled tobacco. So, at present, with the exception of a few of the very remote and interior provinces, a uniform Consolidated Tax is being enforced. As to those provinces and special areas in which the consolidated tax has not yet been introduced, the conditions are said to be rather complicated. Only the future wholehearted submission of the local governments to the central authorities and the effective extension of the control of the Central Government to all interior places will eliminate such irregularities and put an end to the unregulated freedom of the local governments.

The Consolidated Tax

The Regulations for the levying of the Consolidated Tax on tobacco were promulgated in January, 1928. They have since undergone a number of changes with regard to tariff rates. At present cigarettes are divided into three grades. Grade 1 cigarettes (valued at $540 or over per 50,000 cigarettes) pay $305 per 50,000 cigarettes; Grade 2 (between $150 and $540 per 50,000) pay $81 per 50,000; and Grade 3 (under $150 per 50,000) pay $39 per 50,000. The imported cigarettes pay import duties at custom houses according to a different method of classification. They are divided into seven grades instead of three. Four-fifths of the customs collections are then remitted to the Consolidatedated Tax Administration. The aggregate tax on imported cigarettes is said to be about 50 per cent of the actual value.

The home-made cigarettes, that is, cigarettes manufactured from Chinese grown tobacco leaves, also pay a tax on tobacco leaves, which is $4 50 per picul at places where the tobacco is grown. There is much agitation on the part of cigarette manufactacturers against taxing both the raw material and the finished product on the ground that this double taxation bears heavier on the cigarette industry than on any other form of tobacco. Heavy taxation on cigarettes tends to induce the people to use cut tobacco. And then, as the Chinese-grown tobacco is improving in quality every year, the government should foster the use of Chinese leaves and even cultivate its export, instead of taxing it twice.

Then there is also the sales license system, under which license fees are collected from merchants and hawkers selling tobacco of all kinds. The tax rates range from $100 per season for tobacco stores to 50 cents a season for cigarette boys in the theatres There are, of course, other irregularities at various places, and their gradual elimination is contingent upon the expansion of government power. Illicit trade is also said to be flourishing at many places, which fact reveals that government control is not yet complete. So by extending government authority to the interior provinces and secluded districts and with the aid of an efficient administration as well as competent policing, the government receipts from this source can be greatly augmented in the near future.

Manufacturers of cigarettes are trying to point out that over-taxation on cigarettes tends to dwarf the

(*Continued on page 196*)

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In the Fields of Finance and Reconstruction

Minsen Canal in Suiyuan Province Formally Opened

The inaugural ceremony for the opening of the Minsen Canal was held on June 22, when the lock was opened by Gen. Li Pei-chi, Chairman of the Suiyuan Provincial Government. The canal will serve for the irrigation of a large area of land.

Taiyuan-Sinkiang Air Service Planned by Shansi Authorities

The Shansi Provincial Government is contemplating the inauguration of a commercial air service connecting Taiyuan, the Shansi provincial capital, with the border province, Sinkiang Gen. Shang Chen, Chairman of Shansi Government, is reported to have decided to appropriate a sum of $600,000 for the purchase of airplanes.

Board Formed at Nanking to Arbitrate Labor Disputes

To settle disputes between labor and capital, an Arbitration Board of five has been organized in Nanking under the auspices of the Municipal Bureau of Social Affairs. The Board will be composed of representatives from the local party and government organs, the Chamber of Commerce, the labor unions and capitalist organizations.

Hopei Merchants to Appeal to Nanking for Abolition of New Taxes

A *Reuter's* dispatch from Peiping on June 22 stated that the Hopei Chamber of Commerce, having failed to get any definite response from the local authorities with regard to the abolition of the new Consumption and Products Taxes, have decided to send a delegation to Nanking to make a direct appeal to the National Government.

New Radio Service Planned to Link Shanghai and Annam

The Ministry of Communications announces that a direct radio service between Shanghai and Annam (French Indo-China) will shortly be inaugurated. Negotiations which have been conducted between the Chinese Government's International Radio Station and the French Radio authorities for the installation of the service are expected to be completed next month.

Application for Permits to Ship Off China's Curios Turned Down

In connection with the application of the German Ambassador in Japan and a certain Czech curio dealer for a permit to make a shipment of Chinese curios abroad, the Executive Yuan has ruled that Chinese curios, relics and *objects d'art* may not be exported, according to a recently promulgated law governing the preservation of Historic Relics. The application was accordingly denied.

Nanking Orders Immediate Establishment of Medical Institutes

In an order to the Ministry of Education, the National Government instructs that measures be immediately taken to carry out the resolution recently adopted by the Central Political Council for the establishment of Agricultural, Industrial and Medical Institutes throughout the country. The proposal was first discussed at the National People's Convention and later referred to the Central Political Council for action.

Chalainor Coal Mines Scheduled to Resume Operations on July 1

According to a Harbin telegram on June 28, plans for the reopening of the Chalainor coal mines have been completed and the mines are scheduled to resume operation on July 1. The board of directors of the mines is reported to have instructed the Chinese Eastern Railway Administration to allot $50,000 to effect the necessary repairs to the pits which were seriously damaged during the Sino-Russian hostilities in 1929.

New Rail Minister Enjoins Economy on Government Railways

In view of the stringent financial situation on all the Government Railways, Lien Sheng-hai, acting Minister of Railways, has ordered all the Railway Administrations to adopt a strict retrenchment policy, deferring all but the most urgent expenditures. Minister Lien made a speech at the Central Broadcasting Station on June 23 giving a detailed report on the latest measures of the Ministry for improvement of the various Railways as well as future plans.

Nanking Holds Fourth Municipal Loan Drawings

The fourth public drawing for redemption of part of the principal of the Municipal Reconstruction Loan issued by the Nanking Municipal Government was held on June 25. Terminal numbers of the bonds were: 12, 35, 48, 86 and 99. According to a report of Su Ming-sen of the Sinking Fund Committee, funds at present on deposit in local banks for the service of the loan are sufficient for redemption of principal and payment of interest for the next four drawings.

Huge Amount of Silver Specie Shipped From Shanghai to Szechuan

At the request of General Liu Hsiang, Chairman of Szechuan Provincial Government, the Ministry of Finance has granted permission for the transportation of $2,000,000 in silver specie to Chengtu from Shanghai. The silver is intended for circulation in Szechuan to relieve the financial stringency and is being transported by the Young Brothers' Banking Corporation and the Yutung Bank under a contract entered into by General Liu. Shipment is being made in four installments.

Local Customs Instructed to Ban Illicit Trading in Japanese Fish

In order to guard against the enroachment on China's territorial waters of Japanese fishing craft, the Shanghai Customs has been requested to exercise special vigilance against the smuggling of illiict cargoes of Japanese fish into the Port. The coastal Defence Bureau of the Ministry of Navy has also been instructed to maintain close watch in the Woosung Area around the mouth of the Yangtsze River against unscrupulous Chinese conniving with Japanese fisherman in the unlawful trade.

Nanking Rejects Japanese Appeal for Reduction on Fushun Coal Duties

The request made by the Japanese Authorities to reduce the export duties on coal by the Fushun Mines in Manchuria has met with flat rejection at the Ministry of Foreign Affairs, according to a *Kuo Min* report from Nanking. In its reply, the Foreign Ministry is reported to have pointed out that according to the Sino-Japanese Fushun Agreement of 1910, the Mines are to be accorded only the usual most-favored-nation treatment; therefore the demand for differential rates can not be granted.

Tea Exports in Future Must Undergo Examination

To ensure the purity of exported tea, examination by the various Bureaus for the Testing of Commodities of all shipments for export is required, according to a recent order of the Ministry of Industries. Tea whether packed in chests or in small parcels will be subject to examination. A testing fee of 10 cents per picul will be charged. Colored tea leaves or those mixed with impure ingredients will be strictly prohibited from exportation.

In accordance with an order of the Ministry of Industries, a Committee to draft regulations for the standardization and grading of tea for export, has been formed by the Shanghai Bureau for the Testing and Inspection of Commercial Commodities in an efforts to regain China's former eminence in the world market. The Committee is composed of members and experts of the Ministry of Industries and of the Shanghai Social Affairs Bureau, leading local merchants and tea experts. The Ministry has recently promulgated a set of regulations for the examination of tea before exportation so as to eliminate tea of poor grade for export.

Soviet Syndicate to Install Storage System at Harbin

According to a report from Harbin by the *Shanghai Times* correspondent on June 21, the Naphtha Syndicate, Russian oil concern, is petitioning the local Chinese authorities to permit them to build a great oil cistern at Harbin capable of holding 1,000 tons of naphtha products. The Syndicate finds it difficult to compete against foreign oil companies as the latter have better facilities than the Soviet Company. If they succeed in their project, oil will be brought to Manchuria from Southern Russia in railway cars and pumped into the cistern.

First China-Made Motor Truck Produced at Mukden Factory

According a Mukden dispatch in the *Sin Wan Pao*, the first motor truck ever produced in China was completed at Mukden on June 19 by the Sin Sen Automobile Factory, a subsidiary of the Liaoing Field Gun Arsenal. The automobile successfully passed a series of trial runs and evoked enthusiastic applause from crowds who witnessed the initial driving of the car. The dispatch adds that more cars are now in process of manufacture and will be placed on the market for sale when sufficient numbers have been produced.

New 3,000-ton Cruiser for Chinese Navy Being Built in Japan

The National Government is building a new 3,000-ton cruiser in a shipyard in Japan, according to Admiral Chen Shao-kwan, acting Minister of the Navy. The new warship, when completed, will be not only the largest but also the most modern in the Chinese navy. The vessel is expected to be ready for launching on Oct. 10 and will be named the "Ninghai" cruiser. In addition to this craft, another cruiser of the same size is now being constructed at the Kiangnan Dock and Engineering Works in Shanghai This ship is scheduled to be completed by the end of the present year.

Shansi's New Loan Issue Gets Nanking Approval

Approval for the issue of the Shansi Currency Loan of $24 millions having been obtained from the National Government, the Shansi Provincial Government will issue the loan as soon as the securities are arranged, according to a *Kuo Min* telegram from Taiyuan on June 23. According to the regulations governing the issue of the loan as drafted by the Ministry of Finance, the bonds will bear interest at the rate of 5 per cent per annum, payable semi-annually. The Sinking Fund Committee is to be composed of representatives from the Ministry of Finance, the Ministry of Auditing of the Control Yuan, the Shansi Provincial Government, the Shansi General Chamber of Commerce and the bondholders. Redemption of the loan is to be completed within eight years.

Shanghai Commercial Bank Removes to New $2,000,000 Quarters

The new quarters of the Shanghai Commercial and Savings Bank in Ningpo Road were formally opened for business on June 20 in the presence of a large nmber of visitors. The new building is a seven-story steel and stone structure, reputed as one of the most modern banking houses in China. Its construction cost is estimated at over $2,000,000. From steel-lined vault to the pneumatic tube system the equipment of the Bank is all of the latest type and designed to secure efficiency of service. One of the novel features of the Bank is the Morris slat conveyor, used to transport silver bullion from the trucks in the street to the basement strong rooms. The safe deposit vaults, containing 3,000 steel drawers, are all fire-proof and burglar proof. Latest inventions, such as a pneumatic machine to transfer checks to the cashier's department downstairs, have also been installed. The filing cabinets and steel trunks are likewise of the latest type and all fire-proof. Accounting machines, the newest production in Shanghai banks, are installed in the Savings Department. The whole building is equipped with a number of electric clocks, fans and signboards, while all the furniture is made of fine teak wood.

The main entrance of the new Bank building is on Ningpo Road, and two of its sides face respectively on Peking and Kiangse Roads.

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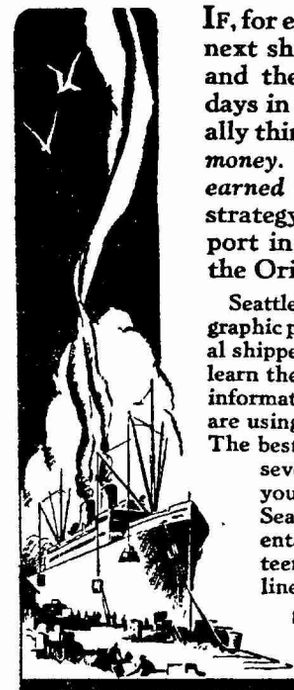

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the PORT of SEATTLE

In the United States Court for China

In the Matter of the Petition of PAUL SIEMIONTKOWSKI for Change of name.	Cause No. 3364 Special Pro. No. 757 NOTICE Filed at Shanghai, China, June 5, 1931. JAMES M. HOWES Clerk.

Take notice that the undersigned, Paul Siemiontkowski, has filed a petition in the above entitled Court for permission to change his name to Paul Semion.

The reasons for said change is that the said name is too complicated for business purposes.

Paul Siemiontkowski

Petitioner.

Convict Labor to be Utilized for Land Reclamation

A definite scheme for the reclamation of waste land by convict labor has been formulated by the Ministry of Judicial Administration. The scheme provides for the division of the waste land in the north-western border provinces into a number of districts, each to be 10,000 mow in area, with houses and buildings in the central district. It is estimated that there will be about 7,000 mows of land in each district fit for cultivation. According to present plans, 250 convicts will be assigned to each of the districts, one person being allotted thirty mows of land. To facilitate the superintendence of the convict workers, five districts will form one section, to which a total of 1,250 convicts will be assigned. It is estimated that abut $15,000 will be required to cover initial expensees for each district, the funds requisite for the upkeep being estimated at $21,700. The total expenditure for one section (comprising five districts), including other miscellaneous expenses, is estimated at about $215,000 per annum.

Peiping National Library Opened with Impressive Ceremony

The new building of the Peiping National Library was formally opened on June 25 at an impressive ceremony in the presence of a large gathering. Dr. Tsai Yuan-pei, Director of the Library, presided at the function and made a brief report on the circumstances leading to the construction of the library. The library contains approximately 44,000 volumes of Chinese books, including a complete set of documents on the national revenue (taxes) system during the reigns of the Emperors Kang Hsi and Chien Lung in the Ching Dynasty, the library of Chinese classics and many other rare texts. Mongolian, Japanese and Western books also form a large collection. The history of the library dates back to 22 years ago, when Viceroy Chang Chih-tung petitioned the then Emperor Pu Yi, for the establishment of a Metropolitan Library. It was not until 1928 that plans for a modern library building were realized with the aid of funds granted by the China Foundation for the Development of Education and Culture. The total cost of the new building exceeds $1,000,000.

S.M. Railway Issues Profit and Loss Statement for Current Year

According to a *Rengo* dispatch from Tokyo on June 20, the South Manchurian Railway Company, at its annual meeting of shareholders held on the same day, issued the following profit and loss statement of the Railway for the current fiscal year:

Profits for current fiscal year ..... Yen	21,673,461
Brought over from last fiscal year	10,560,784
Total	32,234,246
Appropriation	
Legal reserves ..... Yen	1,090,000
Dividend to the Government (4.3%)	9,337,708
Dividend to other shareholders (6%) ..	10,200,000
Dividend No. 11. (2%)	3,400,000
Bonus and other allowances to Directors	430,000
Carried forward to next fiscal year....	7,776,538

The total revenue of the Company during the current fiscal year amounted to Yen 188,104,062 as detailed below:

Railway proceeds ..... Yen	93,330,730
Port & Harbor proceeds	8,558,705
Mining proceeds	62,441,160
Oil proceeds	2,615,400
Steel foundry proceeds	6.641,289
Local revenue	4,586,369
Interest on proceeds	5,356,981
Miscellaneous incomes	2,573,425

Balanced against the above is the following expenditure aggregating Yen 156,430,600 as dailed below:

Railway ..... Yen	34,264,601
Ports & Harbors	6,143.640
Mining	57,796,125
Oil manfacturing	2,314,813
Steel making	6,564,874
Local expenditures	15,051,266
Other outlays	10,793.816
Interest payable	23,863,972
Miscellaneous losses	734,498
Depreciation	8,902,992

The balance thus amounts to Yen 21,673,471.

Foreign Pilots Will be Barred from Service in China after 1933

According to the new regulations governing the examination for pilots issued by the National Government, all candidates for pilot duties in future must be citizens of the Chinese Republic. They must first possess certificates from a recognized technical institute of navigation and shall pass the pilots' examination and obtain a pilot's license. Foreigners shall be disqualified for pilot duties in China waters after March 5, 1933, but before that date the Regulations intimate that all those foreigners possessing the requisite qualifications may also sit for the examinations.

A Pilots' Examination will be held in Shanghai in July, under the instructions of the Examination Yuan. Renewal of Customs' licences for pilots will be suspended meanwhile, but licences already issued will hold good pending the results of the forthcoming examination.

Interviewed by a representative of the *Shanghai Times* on June 25, some local shipping men expressed strong disapproval of the new pilot law, saying that the new law would cripple Shanghai as a port and the elimination of foreign pilots would destroy the confidence of overseas shipping firms.

China's Wheat Crop for 1931 Estimated at 600,000,000 Bushels

According to a "preliminary forecast" issued by the Directorate of Statistics of the National Government, 1931 may prove the biggest year for wheat production in China. This year's crop is estimated at 272,133,000 piculs which, roughly calculated, will amount to 600,000,000 bushels. This forecast is based upon reports received from 16 districts of 12 provinces which are the most important wheat producing regions in the country, the Yangtsze Valley and the Manchurian Provinces. Result of these reports may be summarized as follows:

SPRING WHEAT

(Mainly produced north of the Great Wall)

Provinces	Production in average years in 1,000 piculs	Production of the current year in 1,000 piculs	Per cent of the current year to production of average years
Heulungkiang	20,668	35,343	171
Kirin	18,629	24 217	130
Liaoning	3,378	3,243	96
Jehol	1,536	1,799	117
Total for four provinces	44,211	64,602	146

WINTER WHEAT

(Mainly produced in China Proper)

Shansi	6,898	3,380	49
Hopei	27,368	20,401	74
Shantung	61,612	64,693	105
North Kiangsu	15,168	13,954	92
Anhwei	16,063	11,887	74
Honan	54,083	47,052	87
Hupeh	21,238	16,778	79
Total	202,630	178,145	85
Southern Kiangsu	27,709	19,673	71
Chekiang	10,333	9,713	94
Total	38,042	29,386	77
Total winter wheat	240,673	207,531	86
Total of Spring & Winter wheat	284,884	272,133	93

The extraordinary increase in production of spring wheat this year is caused by the great increase in acreage of planting due to the good prospects of crop conditions in the last few months in Manchuria.

In the winter wheat region, Shansi is the most unfortunate province. Her acreage of planting is not as high as ordinary years because the weather conditions during the planting season were not favorable. Her wheat crop condition was very poor on account of lack of rain.

The most fortunate provinces in the winter wheat region are Shantung, Northern Kiangsu and Honan.

Wheat crop conditions of Shantung, Hopei and Honan have been equally good but the the acreage of planting in the two latter provinces is smaller than in ordinary years on account of warfare and unfavorable weather during the planting season.

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New Naval Cadets Sent to Foochow for Training

Ninety-five newly enlisted naval cadets were sent to Foochow on June 22, aboard the training ship *Tungchi* for training at the Mamoi Naval Academy. These youngsters, ranging from 12 to 16, are all graduates of primary schools, recruited from every province as well as from among the overseas Chinese, following a strict competitive examination. They were selected from amongst 400 candidates. Their course of training will commence as soon as they reach Mamoi; starting with six months in preparatory work, then five years in regular studies and finally one year each in steam engineering, navigation and gunnery. The complete course will require eight-and-a-half years. Upon graduation, they will be appointed to active service with the Navy and the more successful ones will be sent abroad for further studies.

Rich Gold Deposits Discovered in Anhwei Area

Chang Peh-ho, technical expert of the Anhwei Provincial Government, who has recently completed an investigation of the gold mine at Chikihsien, in southeastern Anhwei, reported that the gold deposits there are very rich, some in quartz and some in placers. To exploit the alluvial deposits, he suggested adoption of the Japanese native washing process and for the quartz veins, regular mining methods should be employed. With reference to concentrates from washing, he said that they can be crushed and ground with water power available there and the gold can be extracted by mercury. It is estimated that seven-tenths of a tael of gold can extracted per ton of alluvial.

The gold deposits at Chikihsien were first discovered by an English prospector at the beginning of the present century.

Kiangsu Plans Dredging of Waterways in 25 Districts

Plans for the dredging of the many waterways in northern Kiangsu have been drafted by the Kiangsu Provincial Department of Reconstruction for the improvement of communication and irrigation facilities in twenty-five districts in that part of the province. Surveyors have been sent to those areas for a study of local conditions so that work may begin early next Winter. It is learned that districts around Tungchow, Huaian, Hsuchow and Haichow, which have suffered most acutely at various times owing to poor irrigation facilities, will be given first consideration. The Reconstruction Department is contemplating to raise the necessary funds by borrowing from the Land Tax for the Grand Canal Conservancy. Repayment will be made from the General Conservancy Land Tax as soon as the latter has been levied. Local labor from the 25 districts concerned will be recruited for the work.

Japanese Lease on Wharf Here Is Cancelled by Nanking Order

The Ministry of Communications in a public notice issued on June 25 announced the cancellation of the lease of the Yangtsze Wharf at Pootung, Shanghai, held by the Japanese Kaiyosha Company. The notification points out that the lease has been terminated in accordance with the terms of the agreement as a result of default on the part of the Japanese Company in the payment of rent. All merchants, whether Chinese or foreign, are instructed to remove their cargoes from the wharf godowns ten days after the date of notification. Upon expiration of this period, no goods will be allowed to remain. Meanwhile the Ministry of Communications has requested the Ministry of Finance to instruct the Maritime Customs authorities at Shanghai to take effective steps to prevent any foreign or Chinese vessels from further berthing at the said wharf.

According to further reports by the *Kuo Min* service, the Communications Ministry has dispatched a special deputy, Hsu Shih-tan, to Shanghai to arrange, in conjunction with the Shanghai Navigation Bureau, for the immediate taking over of the wharf. The reports further state that a spokesman has declared that the Japanese Company has defaulted in the payment of rent ever since July, 1923; the total amount in arrears being, up to April, 1931, Tls. 135,560. The wharf was originally owned by the Germans prior to the World War of 1914. It was confiscated as enemy property by the Chinese Government in September 1917, after China had joined the Allied Powers. In 1918, the wharf together with its service launches, was leased to the Kaiyosha Company at a monthly rental of Tls.700, which was later increased to Tls.1,400. Up to July, 1923, the Japanese Company had paid the monthly rental regularly. From that time onwards, however, it has refused to pay, thus making it necessary for the Ministry to terminate the lease in order to uphold the Government's right of ownership, the reports conclude.

(*Continued on page 195*)

Men and Events

Li Shu-hua, Acting Minister of Education, officially took up his new duties at Nanking June 2.

The province of Liaoning has a population of 17,233,000 and Jehol 28,262,000, according to latest census reports.

Mrs. M. Sanford has been appointed librarian of the Shanghai Municipal Library to take effect from August 1.

The population of Kaifeng, Honan province, according to a recent census is 249,046, of which 146,014 are males and 103,032, females.

H. J. Sheridan, manager of the lubricating oil division of the Standard Oil Company at Shanghai, is shortly to be transferred to Hongkong.

Hugo Reiss, managing director of Hugo Reiss and Co., departed from Shanghai for Dairen end of last week on a combined business and pleasure trip.

W. Cameron Forbes, the American Ambassador at Tokyo, was received in audience by the Empress of Japan at the Imperial Palace on June 24.

Allen Dar, a Chinese merchant who also was an official of the American branch of the Kuomintang, was killed recently at Reno, Nevada, while making his second solo flight in an arplane.

The Peiping-Liaoning Railway Administration has decided to attach an armored car to each passenger train so as to ensure the safety of passengers against hold-ups.

A general review of the entire Metropolitan police force at Nanking was held last week. It lasted three days and nearly a thousand police officers and constables were inspected.

The Columbia Country Club, Shanghai, will provide a buffet supper, music, dancing and other entertainment suitable to the occasion, on the evening of American Independence Day, July 4.

A Tokyo message states that a Soviet patrol vessel opened fire on a Japanese fishing trawler off the western coast of Kamchatka, June 29, one shot striking the vessel. There were no casualties.

F. D. Drake of the Standard Oil Company of New York who has been home on leave for several months, was scheduled to return to Shanghai this week. Mr. Drake's home is at Montclair, N. J.

W. S. Leonard, manufacturers' representative, is departing for the United States on a business trip shortly, traveling by way of India and Europe. Mr. Leonard plans to return to Shanghai in the autumn.

The death occurred at Bradford, Yorks, England, on May 26 of the Rev E. C. Smyth, at the age of 75. Mr. Smyth carried on evangelistic and medical work in Shantung province from 1874 to 1924.

Hu Wen, a former reporter with the *Hua Tung* News Agency, Hangchow, was sentenced at the Shanghai District Court last weeek to 14 months imprisonment, following a conviction of forging government documents.

Dr. Boris A. Bakhmateff, consulting engineer, and Russian Ambassador to the United States under the Kerensky regime from 1917 to 1922, has been appointed Professor of Civil Engineering of Columbia University.

Nelson T. Johnson, American Minister to China, after spending several weeks in Shanghai, proceeded to Peiping via Nanking end of last week. Mr. Johnson will spend his Summer vacation at the Wutanshien mountains in Shansi.

The current issue oi the *Municipal Gazette* records the fact that Lieut.-Col N. W. B. B. Thoms, now serving as commandant of the Shanghai Volunteer Corps, has been granted the local rank of colonel by the British War Office.

Owing to lack of funds, the China Merchants' Steam Navigation Company has decided to suspend the operation of its Navigation College. Students of the school will be transferred to the Mercantile Marine College at Woosung.

Commander Henry Shields of the U. S. Navy passed through Shanghai end of last week enroute to Manila to assume his duties with the fleet there. Mrs. Shields and two children will remain in Shanghai for an indefinite period.

Walter A. Adams, American Consul, formerly stationed in Nanking, was scheduled to return to Shanghai this week from home leave. Mr. Adams has been promoted to the rank of Consul-General and will be stationed at Hankow in future.

The Ministry of Foreign Affairs is in receipt of a message from Chu. Chang-nien, Minister at Stockholm, conveying the thanks of King Gustaf of Sweden for the felicitations of the National Government on the occasion of his birthday.

T. V. Soong, Minister of Finance, has changed his residence from 203 Rue Dupleix to 83 Route Pichon, Shanghai, the latter being the premises formerly occupied by W. R. Myers, commissioner of customs, who was transferred to Tsingtao June 1.

Chou Ta-wen, recently appointed mayor of Peiping, arrived in the former capital from Mukden June 28 and assumed the duties of his office July 1. The acting mayor, Hu Jo-yu, is proceeding to Tsingtao to resume his substantive post of mayor in that city.

Rumors circulated in Mukden June 28 that Marshal Chang Hsueh-liang had died at Peiping caused such a decline in the value of *feng piao*, the paper money issued by the official bank of Manchuria, that all exchange firms refused to accept them.

A plan is on foot to establish a Shanghai Chamber of Manufacturers, the promoters having placed advertisements in the local newspapers to said effect. The proposed Association is to comprise all nationalities, including Chinese manufacturers.

Shen Sze-yung, who conducted a gambling house in an alleyway off Rue Tourane in the Shanghai French Concession, was fined $2,500 by Judge Chu in the French Mixed Court June 26. His premises had been raided by the French police several days previously.

The Christian churches at Hankow celebrated the anniversary of the first arrival of Dr. Griffith John, the Central China veteran missionary, at Hankow, with appropriate exercises June 21. Dr. John arrived at said port in 1861. The centenary of his birth will be celebrated in Wales next December.

A Tokyo dispatch says the Seiyukai's (Opposition Party) so-called Five-Year Industrial Reform plan is now roughly completed and will be made public in the near future. This program aims at limiting the country's foreign import to an aggregate yearly amount of Yen 380,000,000.

Mr. and Mrs. William B. Lunt departed from Shanghai for the United Statas end of last week to remain permanently, making their home in Baltimore, Maryland. They were accompanied by Mrs. W. H. Lunt, mother of Mr. Lunt, who expects to return to Shanghai next autumn.

Russia now holds first place as importer of machinery, according to a statement issued by the Supreme Economic Council in Moscow June 25. Imports under this head during 1930 aggregated Rubles 361,000,000. This figure represents 15.5 percent of the total world export of machinery.

Nathan Taflove, assistant cashier and manager of the foreign department of the Schiff Trust Savings Bank of Chicago, Ill., passed through Shanghai during the week, in the course of a trip round the world. He is including Manchuria and North and South China in his itinerary.

The National Board of Film Censorship, under the Ministries of Education and Interior, has issued new regulations in connection with procedure to be pursued in submitting movie films for censorship. Foreign made films must be accompanied by a Chinese translation of the story.

Dr. Tsai Yuan-pei, Chairman of the Central Research Institute, arrived in Peiping June 24, to officiate at the inauguration of the new building of the Peiping National Library. He is also attending the meeting of the China Foundation for the Promotion of Education and Culture.

Ku-la-tah-sih, the "Living Buddha" of Kokonor, is reported to be on his way to Peiping to submit a report of conditions in Kokonor to Vice-Commander-in-Chief Chang Hsueh-liang and also to welcome the Panchen Lama to Kokonor. He was due to arrive in Peiping during the week.

Justice Feetham, the South African jurist, who had been in Shanghai for the past year and a half at the invitation of the Shanghai Municipal Council to investigate and report on the status of the Shanghai International Settlement, departed from Shanghai enroute to his home in Natal, June 30.

General Feng Yi-pei, Commander of the National Guards, died at the Central Hospital, Nanking, Jung 24, from the effects of a ruptured appendix. The National Government has appropriated $5,000 for the funeral expenses. A substantial compassionate allowance to his bereaved family is also to be made.

Prof. J.L. Laski of London University, noted authority on political science and economics, has accepted the invitation of the Central University at Nanking to deliver a series of lectures on modern political thought in China. Prof. Laski is now engaged in a lecture tour in America and is expected to come to China early in October. Meanwhile, it is also reported that Middleton Murray, an eminent English literary critic, has been engaged by the National Peiping University as a professor of English Litertaure at the University.

Viscount Oyamauchi, a member of the Japanese House of Peers, was a visitor in Shanghai during the week, inspecting the Japanese and Chinese cotton mill industry here. The Viscount is interested in engineering matters. He was entertained during his stay here by the local Japanese cotton mill owners.

The recently reported sale of the *Washington Post* to David Lawrence, president of the *Consolidated Press Association* of Washington, for $3,000,000, has been prevented in the Supreme Court of the District of Columbia by Colonel McLean, the chief owner, who exercised the right of veto provided in his father's will.

The Peiping Planning Committee was formally established June 25, with Hu Jo-yu, Acting Mayor of Peiping, presiding. Since the removal of the Capital to Nanking, conditions in the once flourishing city of Peiping have been on the decline. The task of the present Committee is to devise ways and means for the revival of the prosperity of the former capital.

Dr. Fong F. Sec, chairman of the Shanghai Y.M.C.A., at the head of a delegation of fourteen, sailed by the s. s. *President Johnson* from Shanghai June 26 enroute to the United States to attend the first Y. M. C. A. World Conference to be held in the United States. Included in the delegation are Dr Fong's son, Baldwin, and Jonathan Cheng, son of Dr. C. Y. Cheng.

The Central Political Council has authorized the establishment of a National Public Health Commission, which will be placed under the direct jurisdiction of the Executive Yuan. The new organ will be in the nature of a planning commission, the main function of which will be to devise ways and means for the promotion of public health in the country.

President Chiang Kai-shek has delegated Chien Chang-chao, Secretary to the National Government, to investigate into the real cause of the controversy between Dr. Wu Nan-shien, the president of Tsing Hua University, and the other members of the faculty supported by the students. Mr. Chien has already procceded to Peiping on his mission.

Following the recent merger of the Echophone Co. of Berlin with the I. T. & T. Co., the Shanghai Telephone Co. announces that there will shortly be available in Shanghai, in common with other parts of the world, a telephone conversation recorder by means of which a conversation between two persons is set down on a disc so that it can be reproduced at a later period of time.

Two persons were injured by the explosion of a hand grenade outside Tungchimen, Nanking, June 23. A German military instructor was engaged in training soldiers of the 4th Battalion on the use of the bomb when one of the grenades accidentally exploded. Both the German officer and his Chinese assistant were injured and had to be rushed to the Central Hospital for treatment.

Attacking both the Kuomintang and foreigners, the *Laborer's Pictorial* has appeared in Shanghai, replacing the equally rabid *Red Flag*, the latter having long been a source of annoyance to the Chinese authorities. Recent issues of this new Chinese picture paper are devoted to the Shameen incident and charge the Kuomintang with betraying the revolutionary cause. Immediate surrender to China of the foreign settlements is urged.

The recent incident in which a Japanese military officer assaulted a Chinese policeman at Tientsin is now considered closed by the Chinese authorities, an apology having been tendered and medical expenses paid by the Japanese authorities at Tientsin. The assault on the policeman by the Japanese officer occurred after the latter, while riding on a bicycle, knocked down an aged woman.

A. Ramos, Spanish citizen now residing in Madrid, who was one of the pioneers in the cinema industry in Shanghai and other cities in China, has sold his various interests here for the sum of Tls. 800,000. His properties included the Embassy, Victoria, Empire, China, Carter Road and National theatres; and an apartment building in North Szechuen road extension.

H. O. Tong, the new Superintendent of Customs in Shanghai, appointed to succeed Gen. Liu Chi-wen, who has left for Canton, is a returned student from England; he studied leather manufacture and took a course in the University of London, from which institution he obtained the degree of Bachelor of Science. Upon his return to China, he established several leather factories in Kowloon.

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New Books of Interest in the Far East

The American Jews and the Palestine Mandate

The Case for the Jews, by Louis J. Gribetz; Bloch Publishing Co., New York, 1930.

A History of the Jews in the United States, by Rabbi Lee J. Levinger, Ph. D.; Department of Synagogue and School Extension, Union of American Hebrew Congregations, Cincinnati, 1930.

Two recent tomes of interest to American Jewry and those of Israel in other countries are *The Case for the Jews*, an interpretation of their rights under the Balfour Declaration and the Mandate for Palestine, and *A History of the Jews in the United States*. It will be remembered that the epoch-making *Jewish Encyclopedia* was written in America. The translation of the Bible into English by Jewish scholars, and the other important works of the Jewish Publication Society of America, are a monument to a rapidly growing literature, of which these two books are only a small part.

The Case for the Jews, in which Gribetz, one of the leading Jewish lawyers in the United States, attempts to build a legal case for the Jews in establishing their national home in Palestine, is of little interest to the Gentile reader. It traces the development of Zionism from its earliest inception in Eastern Europe to its present status. It seeks to establish beyond all legal doubt the rightful place of Jewry in Palestine, made possible by Lord Balfour's letter to Lord Rothschild, in 1917. As Gribetz transcends his original thesis and resorts to impassioned propoganda, his work undoubtedly loses value.

An extremely well-written work that shows the fine literary taste of its author is *A History of the Jews in the United States*. The volume, if it were not so long, is one in which any student of history and social problems would care to take in at one reading. It traces the various waves of Jewish immigration in the United States, commencing with the first of the Sephardic Jews from Spain and Portugal which started in 1654 at New York (then New Amsterdam) and continued until the first of the nineteenth century. The great immigration of German Jews followed until 1880, when Jewish applicants for admission at Ellis Island became largely those from Russia and Poland where terrible persecutions were inflicted to drive these people from the land.

Portions of the book are devoted to telling the story of the Jews who distinguished themselves on the fields of battle and boards of administration in all of the wars of the United States. Of interest to the social worker and philanthropist is an account of the growth of Jewish charities, and the diverse and unlimited activities of present benevolent societies for the unfortunate and deserving Jewry of the United States, and the world as well. It is interesting to note that the Jews contribute more to philanthropy than to religion, and more to foreign work than to the education of their own children in America. We read that some of the outstanding Jews of the second half of the past century and through the war were Jacob H. Schiff, David Lubin, Oscar S. Straus, and Henry Morgenthau, the latter two having served as ambassadors to Turkey. Louis Untermeyer, successful business man and poet, Edna Ferber and Fannie Hurst, outstanding novelists, are Jews of the present day who are contributing to the literature of America. The late David Belasco, perhaps the greatest director and producer in American drama, and the late Dr. Albert A. Michelson, physicist and wizard of light, whose measurements of the speed of light and the light ray enabled Albert Einstein to give his theory of relativity, were both Jews.

No non-Hebrew can read this book without gaining a wider understanding of the greatness of the Jews in the United States, who have distinguished themselves disproportionately in every field of American life and culture.

H. E. J.

Lenten Meditations

His Glorious Body, by Robert Norwood; Charles Scribner's Sons, New York, 1930. 229 pages.

This volume is a companion to "The Steep Ascent" by the same author. "His Glorious Body" is a series of twenty-two Lenten meditations, each prefaced by a portion of scripture taken from Dr. Moffat's translation of the Bible, and concluded by the text of a brief prayer.

Dr. Norwood is rector of St. Bartholomew's Church in New York City. His book emphasizes a sentimental religious view of immortality, based upon his belief in Jesus' resurrection taken as an historical fact. His ethics are shown in the following quotations. "This body is a mask, important to the part which we play in the drama of eternity. Make the most of that body. Guard its health and train it to an increasing capacity to serve among many brethern. Jesus made his flesh body the means of the world's redemption. He submitted to the lash, the nails, and the thorns. Shall we not also accept these tests? Do not run away from them, or rail against environment. In that state of life to which we have been called, we must do our duty as Jesus did.... Paul described a saint as one who had responded to the call of the Resurrection, who had broken the door of death by a thrust of the Master's cross —the thrust of sacrifice or self-discipline. The heaven of a saint is the possession of his spiritual body while he still abides in that lower vehicle, the flesh body. So the proper course for saints—disciples who have accepted the new life in Jesus—is to set aside whatever interferes with the freedom of that new life. No one knew better than Paul what that freedom was."

May 31, 1931. G. B. S.

Lectures on Jesus

Jesus, the Son of God, by Benjamin Wisner Bacon; Henry Holt and Company, New York. 1930. 152 pages, with critical notes.

This book contains the four lectures given under the Shaffer Foundation at the Yale Divinity School during February, 1930. The lectures of this foundation are to concern the character, life and teaching of Jesus. Delivered to an audience of religious scholars, this first series of Shaffer lectures does not seek popularity. The chapters center about historical events, structure and emphases of gospel writers and questions of textual accuracy.

The four chapters of the book are entitled The Life of Christ—Why we Study it, and How; What the Eye Saw; What the Ear Heard; and What Entered into the Heart of Man. The first and the last seem to us more interesting than the middle chapters. The entire book is one which will be more appreciated by the minister than by the layman. Eleven pages are given over to critical notes of an extremely critical sort.

June 20, 1931. G. B. S.

Moutrie & Co., Ltd., Earn Ten Per Cent Last Year

A final dividend of four percent, which together with an interim dividend of six percent paid last December, making ten per cent for the year, was declared at the annual meeting of S. Moutrie & Co., piano manufacturers and music dealers, held in Shanghai, June 29. Conditions in the Straits and Malaya continued bad, but W. J. Isenman, presiding, stated that he was glad to report that the demand for Moutrie products remained good.

Kelly & Walsh, Ltd., Booksellers, Hold Annual Meeting

Kelly & Walsh, Ltd., an old established British firm of book-sellers and printers, with establishments in Shanghai, Hongkong and Singapore, held their annual meeting in Shanghai June 29, when A. E. Clever, presiding, stated that the Shanghai business showed credit balances in four different accounts. The Singapore branch showed a decline. Mr. Clever added that despite the fact that the year had been one of extreme difficulty, the profits and progress of the company had been maintained.

Ricshas and Cyclists Sources of Increasing Danger on Shanghai Streets

The traffic department of the Shanghai Municipal Council has recommended a reduction in the number of ricshas, pointing out that these vehicles are becoming an increasing source of obstruction and danger to other vehicles, particularly on the main thoroughfares. Bicycles also are becoming an increasing source of annoyance to the traffic department. In the month of May bicycles were involved in 164 accidents and in half of these incidents the cyclists were at fault. Eighteen persons were killed and 367 injured in traffic accidents in Shanghai during May.

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IN THE FIELDS OF FINANCE AND RECONSTRUCTION

(Continued from page 191)

Flood Refugees Swarm to Undeveloped Territory to Reclaim Lands

About 30,000 flood refugees from the various districts in western Liaoning are migrating to undeveloped territory in North Manchuria before autumn to engage in land reclamation and farm pursuits, according to a *Kuo Min* telegram from Harbin on June 24. The first batch of 14,000 persons has already reached their destination, while more than 5,000, belonging to the second batch of 17,000, reached Harbin this week and immediately proceeded northward. It is expected that the last contingent consisting of 10,000 persons will have migrated by the end of August. The majority of the refugees are settling in the northern border districts of Kirin and Heilungkiang, where the density of population is very low. It is anticipated that with the large increase of farm hands through the arrival of these refugees. agricultural production in this part of the country will be considerably enhanced in coming years.

Large-Scale Sugar Refinery Planned in Shanghai

Dr. H.H.Kung, Minister of Industries, announced that the Ministry is contemplating the establishment a large-scale modern sugar refinery in Shanghai with an initial capital of Gold $5,000,000 and capable of turning out an output of 1,000 tons of sugar per day. An agreement has been reached between the Ministry of Industries and the International Sugar Corporation at Havana, Cuba, for the latter to supply the required raw materials for sugar production and the capital is to be loaned by the Cuban Corporation, in repayment of which, China will float a public loan to the same amount. According to the proposed agreement, the Refinery shall be a state enterprise of China, but its management is to be jointly shared by the Chinese and Cuban officers. All the needed raw materials for the Refinery shall be purchased in Cuba through the agency of the Cuban International Sugar Corporation and delivered in China at the lowest rate prevailing in the China market. Cuban sugar shall have the right of priority to that imported from any other countries.

Fishery Enterprises Must Register, Nanking Enjoins

The Ministry of Industries, in a circular order on June 29, enjoined that all the fishery enterprises must register with the various Provincial Departments of Industry or Reconstruction and those which fail to register by the end of this month, will be deprived of the right of fishing in local waters. To protect the fishing industry, the Ministry of Industries, in conjuction with the Ministry of Interior, has take measures to organize police guards and the various Provincial Governments have been instructed to establish Police Bureaus to meet the needs of their respective fishing grounds.

Peiping Chamber Entrused With Collection of New Business Tax

To facilitate collection and avoid inconveniences to merchants, the new business tax in Peiping will be collected through the local Chamber of Commerce, instead of directly from the firms by the Municipal Bureau of Finance, a *Kuo Min* dispatch from Peiping reported. The Chamber has accordingly organized a committee preparatory to the establishment under its jurisdiction of a Revenue Office to take charge of the collection of the new tax for a trial period of three months. The monthly return is expected to be around $80,000.

Hydro-Electric Installation Planned at Chengtu

Despite the unsettled conditions, Chengtu, capital of Szechuan province, is making rapid headway along industrial lines. The latest enterprise which is engaging the attention of the Chengtu authorities is the establishment of a water power station for the purpose of generating electricity for the city and supplying power to industrial plants. The plant is situated outside of the city near the Tung Meng Bay. Work on the establishment is rapidly progressing and when completed it will be known as Hsing Neih Water Power Company. The plant occupies more than 150 mow of land.

Sian Arsenal to be Converted into Textile Factory

According to a *Kuo Min* telegram from Sian on June 20, the Shensi Provincial Government is planning to convert the arsenal at Sian into a huge modern textile factory. Arrangements are being made by the Shensi authorities to secure a loan of $5 million from the British Boxer Indemnity Refunds. A large part of the loan will be utilized for the purchase of machinery from Great Britain.

More Shanghai Banks Obtain Registration with Finance Ministry

Fifteen additional Chinese banks in Shanghai have complied with the requirements for registration by the Ministry of Finance. The Ministry, in a dispatch to the Municipal Government of Greater Shanghai, announced that applications of the 15 banks for registration have been duly granted by the Ministry and instructed that the registered banks in accordance with official procedure, must send their registration to the local Bureau of Social Affairs. Among those newly registered are the Chung Union Bank, Kiangsu Bank, Kiangnan Bank, Commercial Bank of China, Shanghai Trust Company, and ten others, including several commercial and savings banks.

China to Participate in Chicago Centenary Exposition

The National Government is reported to have decided to participate in the Centenary Exposition of the City of Chicago to be held in the Spring of 1933 and a sum of $400,000 will be appropriated for the expenses in connection with China's representation in the Exposition. The sum to be appropriated is understood largely to be used for construction of Chinese booths within the grounds of the Exposition and to defray the travelling expenses of Chinese representatives. The Ministry of Industries is making arrangements with the various Chambers of Commerce to select the choicest native products to be sent to the Exposition.

VAST GROWTH OF CIGARETTE CONSUMPTION PROVIDES IMPORTANT SOURCE OF REVENUE

(Continued from page 187)

cigarette industry, which in turn affects the government revenue. But the present tariff in China is certainly much lower than in a number of western countries and Japan. The aggregate tax on tobacco in China amounts to onlv about 50 per cent advalorem, while Japan levies duties on imported tobacco as high as 355 per cent. So apart from any other considerations and purely from the fiscal point of view, taxation on tobacco should be fixed according to the principle of maximum return. For the sake of achieving this end, it is necessary that all forms of tobacco should be taken into consideration so as to avoid giving favors to one brand at the expense of the others.

The present system of Consolidated Tax is itself an improvement upon the previous special taxes of the provinces. It is better than anything in the nature of a government monopoly, which certain financiers advocate, or the system of Sales Monopoly as once experimented with in Chekiang and Shansi. Both the government monopoly and the sales monopoly have disadvantages, and are liable to perversion and official corruption. The operation of a monopoly also necessitates an unwieldy staff, which means enormous expenditure that will eat up a good slice of the government revenue. So the present system, if given a reasonable degree of continuity, will undoubtedly prove a feasible system of taxation.

An efficient staff composed of competent men of personal integrity is of vital importance in all systems of government revenue. The service must provide good pay and permanent employment. But dishonesty and corruption must be followed by swift chastisement.

There are government services that were formerly organized with the assistance or foreign experts, and these the government can make use of in the way of organizing new taxation systems or introducing reforms in established revenue institutions. The tobacco tax, when fully developed through efficient and honest administration, will undoubtedly become one of the biggest revenue producing institutions in this country.

Shanghai, June 25, 1931.

Who's Who in China

Liu Yao-yang, government official; born at Meng-hsien, Honan, 1892; received his military training in Honan and Chihli; served successively as chief-of-staff at the Headquarters of the Field-Commander of the Bandit-Suppression Forces for Yunnan, chief-of-staff to the 38th Army of the Nationalist Revolutionary Forces, training officer in the Central Military Officers' College, chief-of-staff at the Headquarters of Field-Commander of the 2nd Anti-Rebel Army, chief-of-staff to the 2nd Group Anti-Rebel Army, chief staff officer at the Kaifeng Headquarters of the Commander-in-Chief, now member of the Honan Provincial Government, director of Peace Preservation Bureau of Honan, and concurrently associate director of the Honan Bandit Suppression Bureau; was awarded decorations by the National Government for meritorious military service; address: Honan Provincial Government, Kaifeng, Honan.

Liu Yao-yang

劉君耀揚字師尙，年三十九歲，籍河南孟縣，歷任雲南全省剿匪總指揮部參謀長，國民革命軍第三十八軍參謀長，中央軍官學校步兵科少將科長，討逆軍第二路總指揮部參謀長兼湖北各部隊編遣特派辦員事處軍務科少將科長，討逆軍第二軍團總指揮部中將參謀長，陸海空軍總司令開封參營行謀長等職，現任河南省政府委員河南全省清鄉總局副總局長兼河南省保安處處長，歷經靖國護國諸役於保獎案內頒給一等紀念章，討逆諸戰役蒙國民政府給三等寶鼎勛章

British Firm Accused of Arms Traffic

The Ministry of Communications has requested the Ministry of Foreign Affairs to lodge a protest with the foreign consulate concerned against the secret alleged transportation of arms by Jardine, Matheson & Company. According to reports received from the Anhwei Provincial Government, the dispatch states, Jardine, Matheson. & Co., have been engaged in trafficking in arms, narcotics, and other contraband at Chuankang and Hsiangkow along the Yangtsze River in Anhwei Such illegal actions being in contravention of treaty stipulations, the illicit traffic should be suppressed immediately, the dispatch adds.

Asia Realty and Shanghai Land Establish Joint Agency

Announcement was made during the week that the Asia Realty Co., Fed. Inc., U S. A., and the Shanghai Land Investment Co., Ltd., the latter being a British concern, had entered into an agreement for joint operating, under the name of the Land Investment, Brokerage & Mortgage Co. The announcement states that each company retains its present identity, the joint agency being in no sense a merger. New offices for the joint agency have been opened in the Arco building, 50 Nanking road, Shanghai. Mention is made in the announcement that the Shanghai Land Investment Company has held the foremost position in Shanghai real estate and finance since 1889, with resources of more than twenty-two million taels (about seven-and-a-half million gold dollars.)

"Silver" Senator Departs from Shanghai

Senator Pittman, from Nevada, after making a tour of China investigating the silver situation, departed from Shanghai for Manila July 1. He will again pass through Shanghai several weeks later on his return trip to the United States.

Before leaving, Senator Pittman issued a statement in which he said that the one year's moratorium proposed by President Hoover is not enough. Senator Pittman pointed out that over half the people of the world have only silver money with which to pay their debts. He urged that President Hoover should call the proposed international silver conference, according to the request made by the U. S. Senate.

Senator Pittman Is Entertained by Chinese Bankers and Merchants

The Shanghai Chinese Bankers Association, and other prominent Chinese organizations, entertained Senator Key Pittman to dinner at the Chinese Bankers Club, Shanghai, Tuesday, June 30. Senator Pittman in a speech delivered to the assembled hosts and guests said that the present apparent oversupply of silver in the world comes from the foolish efforts of countries to go on a gold basis, that is, promising to pay their internal and foreign debts in gold when they haven't any gold and can't get sufficient gold to pay their debts. He said this does not mean that a gold standard for all countries may not be the best standard, any more than it would mean that a wagon is as good a conveyance as an automobile, but it means that you should not destroy your wagon until you are able get an automobile. He said that the contention that cheap silver is an aid to China is based on selfish and erroneous reasons.

Tientsin Japanese Urge Calling of Silver Conference

The Japanese Chamber of Commerce and Industry in Tientsin last week forwarded a lengthy petition to Japan urging that an international silver conference be convened. The memorial asked that the Japanese Government take the initiative in calling such a conference. Copies of the petition have been forwarded to trade and commercial organizations in Hankow, Shanghai, Tsingtao, Dairen, Mukden and other places asking their cooperation and support.

"Meifoo Shield" Discontinues Publication

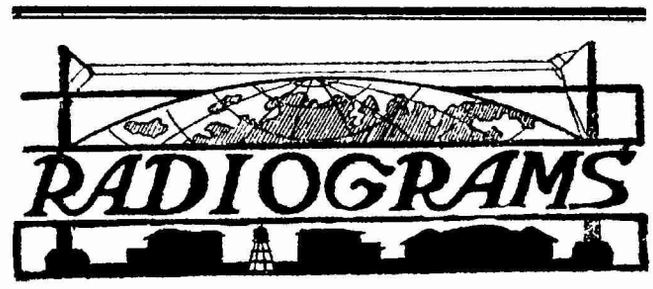
The Meifoo Shield, which for the past seven years has been issued as a house organ of the Standard Oil Company of New York in the Far East, has discontinued publication, notice to this effect being given in the issue dated May 31, which actually was distributed about middle of June. G. F. Lanning was the editor of this journal, which was published monthly. In an "editorialette" in the final issue a tribute is paid to amateur contributors. Mention is also made of the fact that P.W. Parker, former Socony manager at Hongkong and Manila, was elected a director of the Standard Oil Company of New York as of February 1 ast, and will be associated as a director in the conduct of lhe business of North China, South China and the Japan terrtitories.

Foreign Consulates at Harbin Refuse to Cooperate in Chinese Census

A *Kuo Min* dispatch from Harbin dated June 26 stated that the Chinese population is indignant at the attitude of the American, British and Japanese Consulates in that city in refusing to cooperate with the local authorities to take a census of the population of Harbin July 1. The blank forms for the census of the nationals of these three consulates had been sent to the foreign consulates by the Chinese authorities with a request that they should be distributed.

American Aviators Make Record Time on Round-the-World Flight

Captain Wiley Post and Lieut. Harold Gatty hopped off from Roosevelt Field, New York, at 4.55 a.m., June 23 on a plane flight around the world in an easterly direction. Their route was by way of Newfoundland, England, Germany, Russia, Siberia, and Alaska. They arrived at Nome, Alaska, on the afternoon of June 29, and were scheduled to reach New York in less than ten days for the complete trip around the world.



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MEN AND EVENTS

(*Continued from page 98*)

Dr. C. T. Wang, Minister of Foreign Affairs, who spent last weekend in Hangchow, returned to Nanking early this week.

E. H. Mathewson, of the British-American Tobacco Co., returned to Shanghai during the week from the United States.

Archbishop Gregorio Aglipay, of the Filipino Independent Church, is due to arrive in Shanghai July 10 on his way back to Manila from the United States.

C. E. Meyer, manager of the Standard Oil Co., South China, accompanied by his wife and family, departed for the United States during the week on holiday.

Mrs. R. J. Corbett, wife of the assistant manger of the Standard Oil Company of N. Y., who has been visiting at her home in America, was scheduled to return to Shanghai this week.

The Pacific Foreign Trade Council announces that it will hold its eighth annual meeting at Oakland, California, September 17 and 18. Methods of stabilizing trade will be principally discussed.

It is annonnced from Nanking that in view of the intense summer heat, beginning from July, the various Yuan, Ministries and Commissions of the Central Government will suspend work in the afternoons.

Commander R. W. Wuest, who served for many years with the *Canopus*, submarine mother ship, in Far Eastern waters, departed from Shanghai June 26, for Washington, D.C., where he will attend the Army Industrial School.

Tsuyee Pei, manager of the foreign department of the Bank of China, who was a delegate to the International Chamber of Commerce conference at Washington, is due to arrive back in Shanghai during the present month.

The American militarv forces at Tientsin are to be reduced, according to a War Department order issued at Washington, June 25. Two hundred and eight men on duty with the 15th Infantry at Tientsin will be withdrawn.

A French aviator, Count de Sibour, who with his wife, departed from Paris June 16, arrived in their plane in Peiping from Mukden, June 25. The Countess de Sibour is a daughter of Gordon Selfridge, London department store proprietor.

Miss Rena Semenza and Miss Matilda Ferretti, sister and aunt respectivelv of Miss Nevada Semenza, special writer on *The China Press*, recently arrived in Shanghai from the United States. They intend to remain here for an indefinite period.

F. R. Branigan, for many years connected with the Hongkong & Shanghai Banking Corporation, departed from Shanghai end of last week together with Mrs Branigan, for the United States where they will remain permanently.

Tsao Lien-en, who has been connected with the Bureau of Industrial and Economic Information of the Ministry of Industries, has resigned to accept a position with Ford Motor Car Company, Exports, Inc., and has departed for Hankow.

Application for permission to fly from New Zealand to Japan was submitted to the Aviation Bureau at Tokyo June 25 by the Japanese Consulate General in Sydney, Australia, in behalf of Pilot Chester, a New Zealand aviator.

The establishment of a Confucian College to perpetuate the memory of the great sage as well as to spread his teachings, is proposed in a petition from Professor Wang Yin-lung of Feng Yung University, Liaoning, to the Shantung Provincial Government.

The engagement is announced of Miss Mary H. Shih, the third sister of Madame C. T. Wang, to K. T. Chung, Miss Shih is the general secretary of the Nurses' Association of China. Mr. Chung is a member of the National Opium Suppression Commission.

A general reduction of administrative expenses is announced by the Hupeh Provincial Government in order to meet the stringent financial situation. All provincial departments and bureaus are ordered to curtail their running expenses by 25 per cent, as from July.

Six priests and nuns connected with the French Mission at Shaowu, who were captured by the Communists when they captured said city June 8, were later released on payment of a ransom of $1,000 each. They eventually returned to Foochow, making the trip via Yenping.

Two passengers on the steamboat *Wuhu* on the Nanking-Wuhu run were wounded by bullets fired by a gang of pirates from the shores of the Yangtsze River at a point about 23 miles from Nanking June 28. The wounded passengers were taken to a hospital at Wuhu.

Wang Chia-tseng, political vice-minister of foreign affairs, is mentioned for appointment as one of China's three delegates to the September session of the League of Nations at Geneva, in place of Dr. C C. Wu, who recently resigned from his post as minister to Washington.

Two delegates of the Native Products Emporium called on Dr. C. T. Wang at the latter's residence last week and requested the Minister to lodge a strong protest with the Settlement authorities against the alleged illegal closing of the Emporium by the Municipal Police several weeks ago.

The Silk Filature Debenture Bonds Committee held a meeting in Shanghai June 29 to consider means for improving the situation in the silk filature industry, which is at a low ebb owing to the shortage of cocoons. Out of more than a hundred filatures in Shanghai only 20 are in operation.

Charles A. Johns, Justice of the Supreme Court of the Philippine Islands, and Mrs. Johns arrived in Shanghai June 30 on their way to the United States. On the same date Supreme Court Justice George A. Malcolm passed through Shanghai on his way back to Manila from the United States.

Alfred M. Bingham, son of Senator Hiram Bingham of Connecticut, arrived in Shanghai this week from India on a year's trip around the world. After two or three weeks here, Mr. Bingham plans to take a trip up the Yangtsze and then through North China and Manchuria. Mr. Bingham is a student at Yale University.

Mrs. Gardner Crane was re-elected Chairman of the American Players in Shanghai at the annual business meeting of said organization held last week. B. H. Watson, treasurer; H. S. Carey, secretary; and Kenneth Fawcett, John Hykes, Forman F. Xavier and Gardner Crane, the old members of the executive board, were reelected.

Dr. Wu Nan-hsien, President of Tsing Hua University arrived in Nanking June 27 and made a report on the trouble started by the students and faculty of the University since last month when they attempted to challenge his authority. Chien Chang-chao, Vice-Minister of Education, is now at Peiping conducting an investigation into the dispute

A *Reuter* message states that the Mukden High Court requested an English doctor in Mukden to make a post mortem examination of the body of Mi Shuang-chen, a Mohammedan from Liaoyang, who died, it is alleged, from injuries received from Japanese police. The doctor reported that Mi died from a mixture of cold water and kerosene filling his lungs.

An additional division of the Japanese Army is being sent to Korea, according to a decision of the Japanese Department of War, June 29. General I. Ugaki, former Minister of War and now the Governor General of Korea, asked for the additional forces. The expenses of maintaining the new troops are to be charged against the Korean Government.

Japanese Church at Hangchow Ordered Closed by Chinese

On the ground that China has never granted Japan's request for the despatch of missionaries to this country, the Chekiang Provincial Government has issued instructions to the Hangchow Municipality to prohibit the functioning of the Japanese church situated outside Yung Chin Gate. The Japanese consul in Hangchow is being informed of the decision and is requested to notify the Japanese priest to close down his establishment.

Misappropriation by a Chinese Postman

A Chinese postman appeared before Judge Feng in the Special District Court at Shanghai June 30 on a charge of misappropriating three express letters, two containing $600 in banknotes and the third containing a postal money order for $40. According to the police, the first and second letters were posted in Kanchow, Kiangsi, on February 18 and March 1 respectively and were addressed to a merchant in the Chinese city. The third letter was posted in Shuchow, Anhui, and was addressed to another merchant here. After being brought to Shanghai, the three express letters were given to accused for delivery. When confronted by the police he confessed to having rifled the letters and abstracted the contents.

Hoover Moratorium Plan Awaits France's Decision

President Hoover's proposal for a one-year moratorium for war debts has continued to be a subject of world-wide discussion, and all countries seem to be favorable to Mr. Hoover's plan, except France. Negotiations have been going on at various times during this and last week between American and French delegates at Paris, but no agreement had been reached at the time of going to press. It is possible, however, that in any event the date of July 1 set by President Hoover as the start of the moratorium period will have to be advanced into the future. The French attitude as regards President Hoover's plan is fairly represented by a speech made by M. Louis-Marin, a Right deputy, in the French Chamber June 26. He asserted that the United States proposed to sacrifice six milliards of francs, but that the American people had invested 250 milliards of francs in Germany. Germany, he said would escape paying 10,500,000,000 francs. The countries which would be really hit if President Hoover's proposal was accepted would be France and Belgium. France, he declared, was being asked to surrender a huge sum, which he estimated at between two and two-and-a-half milliards of francs.

The formal reply of the French government, received in Washington June 24, accepted the plan in principle, but with the important reservation that Germany must continue to pay the so-called unconditional reparations annuities to the Bank of International Settlements at Basle.

Moratorium Extended to British Dominions and India

One of the results of President Hoover's proposal, and its incidental acceptance by Great Britain, was that the British government made a proposal to the British Dominions and to India of postponing war debt payments for a year. All of them accepted. India's acceptance was contained in an official communique, which indicated that the budget savings thereby affected would total £836,000, counterbalancing a loss of £229,000 from reparations.

B. A. T. Millionaire President Builds "Dreamland" Home

According to an article appearing in the London *Daily Express*, Sir Hugo Cunliffe-Owen, Chairman of the Board of Directors of the British-American Tobacco Company, millionaire tobacco man and owner of race horses, has just completed the construction of a new country home in Sunnyside Park that has attracted attention throughout England. The house was constructed under the personal direction of his wife, Lady Cunliffe-Owen, and according to the report in *The Express* the house reflects the personal tastes of the proprietor to such an extent that even the drainpipes on the outside of the house contain the pictures of favorite race-horses. The interior of the house is decorated with materials which Lady Cunliffe-Owen has collected on her various trips about the world. The bed-spreads are made of Chinese shawls and the lamp-shades of Chinese silk brocades. A notable feature of the house is a "library without books," Lady Cunliffe-Owen considering that books would have spoiled the effect of the room. Each bed-room is named after a favorite race-horse. Lady Cunliffe-Owen's bedroom is a perpetuation of the green and coral scheme, with a high, painted Italian bed and a curious embroidered bedspread, made from a Spanish priest's cope.

Sir Hugo's bedroom—light and cream colored—with "Felstead" over his bed, and a long glass facing the window, is so situated that he has a complete panorama of his broad acres and can see his yearlings in the early mornings galloping under distant trees. Then, through to his bathroom, developed in silver and blue-mauve, with a wonderful deep violet bath.

Gigantic Buddha Image to be Built at Tokyo

An image of Buddha in a sitting posture, 400 feet high, made of reinforced concrete, about ten times as large as the Image of Buddha at Nara, is planned to be built on the Suzuki reclaimed ground, in Tokyo. The expenditure required for the proposed construction amounts to 100,000 yen, which will be raised by public contributions. Tho proposed Buddha image will be the largest in the world.

"The Seaboard Route to the North"

Travel on The

Peiping-Liaoning Line

Starting at Peiping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs, the Peiping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chiuchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peiping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passengers baggage registered through between the important stations on the Peiping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peiping-Hankow Railway and with the Peiping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules accommodations, etc. apply to any Tourist Bureau or communicate directly with the Traffic Manager

Peiping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

57-239

CUSTOMS NOTIFICATION No. 1217

The Public is hereby notified that from the 1st July, 1931, the Import Tariff rates on Gasolene, etc., and on Kerosene Oil will be as follows:—

Tariff Heading No. 482.

Gasolene, Naptha, and Benzine, Mineral:

(a) In case of 10 gallons:
Gold Units 1.63

(b) In Bulk per 10 gallons:
Gold Units 1.53

Tariff Heading No. 495.

Kerosene Oil:

(a) In case of 10 gallons:
Gold Units 1.43

(b) In Bulk per 10 gallons:
Gold Units 1.33

L. H. Lawford,
Commissioner of Customs

Custom House,
Shanghai, 26th June, 1931.

CUSTOMS NOTIFICATION No. 1219

Acting under instructions from the Inspector General of Customs notice is hereby given that with a view to facilitating the work of this Custom House and to expediting the publication of Returns of Trade, applicants will be required to make their declarations in respect to the import, export and re-export of Chinese and foreign goods to and from abroad on Standard forms of application, one additional copy of which (on green paper) is to be handed in for Statistical purposes. Specimens of the Standard forms of application concerned may be seen at the Head Desk, Custom House, where they are on sale at the following prices:-

White forms	Ordinary size	per pad of	Hk. Tls.
	12½ x 10"	100	0.30
	Large		
	12½ x 17"	50	0.20
Green forms	Ordinary size	50	0.15
	Large „	50	0.20

The new standard applications will come into use on Monday, 6th July, 1931, from which date no other kinds of applications will be accepted.

L. H. Lawford,
Commissioner of Customs.

Custom House,
Shanghai, 30th June, 1931.

Jehol---China's City of Lamas

From the "Japan Chronicle" (Kobe)

THE city and district of Jehol, for several centuries the stronghold of lamaism in China proper, is casting apprehensive eyes at Nanking. For Jehol, much of it modeled upon Lhassa, the sacred capital of Tibet, lives and thrives upon lamaism, and Nanking classes lamaism as superstition and has declared open war upon it and upon most forms of religion.

In many parts of China the Nanking Government, acting directly, and in other parts acting through the Kuomintang party, has confiscated temples and shrines and has taken away from the priests the temple lands, the income from which has supported monks and nuns for untold centuries. Jehol knows these things and is apprehensive.

At the moment Jehol is safely in the control of General Tang Yu-lin, whose reputation politically is that of a "safe old conservative." But General Tang has been too open about his innate conservatism. In fact he has often publicly denounced Nanking and its ways and works, and has refused to have anything to do with the Kuomintang party or with the new spirit of Chinese nationalism.

Status of General Tang

Most of the higher priests in Jehol believe that a man like General Tang Yu-lin cannot long survice the changes and evolutionary processes going on in China. They fear that he has been too outspoken in his denuciation of modernization, and that therefore he will, in the end, lose his power in Jehol. To-day General Tang is affiliated with the conservative Manchuria leaders, and they, like Tang himself, are even lukewarm toward Nanking. But in Manchurian political circles there is a strong and growing clique of younger men who favor actual unification of all China and the end of feudalism. If this younger clique triumphs, the day of men like Tang Yu-lin will change rapidly into a deep twilight and then into darkness.

General Tang is a stout warrior, which is why he, with his own army of about 25,000 men, holds Jehol, for Jehol and the surrounding passes constitute the back door into Western Manchuria. Jehol is also the northern door into the Peiping area, and Manchuria, in spite of pleadings and promises and threats, has never permitted a pro-Nanking commander to hold this doorway. Since June, 1928, when the Manchurian forces were driven out of Peiping by the Nationalist forces, an army loyal only to Manchuria and to old-time North China customs and political creeds has held Jehol, and as yet there is no sign of early relinquishment of this control.

The History of Jehol

Jehol is only 144 miles northeast of Peiping, and has been the location of a strong lama priesthood for many centuries. In 1703, partly to compliment Tibet and partly because the climate of Jehol is cooler in Summer than is that of Peiping, Emperor Kang-hsi began the erection of a magnificent Summer palace there. He and his successors, Yung-cheng and Emperor Chien-lung, lavished tens of millions of dollars upon Jehol, and the imperial Manchu court journeyed there every Summer from 1704 until 1820. In the latter year, on Sept. 2, the Emperor Chia-ching was struck and killed by lightning, and the Manchu dynasty thereupon decided that Jehol was unlucky to their family.

The place was then abandoned as a Summer capital until 1860, when the French and British armies captured Peiping and Emperor Hsien-feng fled to Jehol as a refuge. He died there in less than a year, and thereafter the Manchu imperial line avoided Jehol as though it were plague-stricken, convinced that it was a place of evil omen for their dynasty.

But during the period of more than a century when the court went there regularly the lamaist monasteries of Jehol became richly endowed by imperial benefactors.

Two great lamaseries were built, one in 1700 and another in 1779, both replicas of famous lameseries at Lhassa, and all the splendor of Tibetan lama ritual was practiced in Jehol temples and shrines.

The Manchu emperors insisted that the temples and monasteries must be of a magnificence which would not shame the splendor of the Summer court, and as a con-

Latest New York Stock Exchange Quotations

Market: Easy Business Done 1,900,000 Shares July 1

1930-1931 High	Low	Div.$ perSh.	STOCKS	Mon. June 29	Tues. June 30
23½	11¼	1.00	Adams Express	16½	16
42¾	20	3.00	Allis Chalmers	27½	27
129¾	93	4.00	American Can	111¼	109¾
51¾	22⅜	—	American & Foreign Power	35½	34¼
31⅝	11¼	—	American & For. Power W.	20	18¾
58½	25	4.00	American Smelting	37⅜	36⅛
201¾	158¼	9.00	American Tel. & Tel.	180¾	179½
130⅜	103¾	5.00	American Tobacco "B"	124	122¾
80¾	42⅛	*3.00	American Waterworks	55	51¼
43¼	19⅜	1.50	Anaconda Copper	30	28⅞
23⅝	11⅛	*1.00	Atlantic Refining	16⅛	15⅛
87⅞	44	5.00	Baltimore & Ohio	64½	61½
70⅜	38¾	6.00	Bethlehem Steel	53	50⅞
30¾	15⅛	1.00	Borg Warner	20½	19⅜
45⅜	24¾	1.25	Canadian Pacific Railway	27¼	26¾
131½	62⅞	6.00	Case J. I.	88⅜	90
54⅛	28¼	3.00	Chesapeake Corp	40	39
25¾	13⅝	1.00	Chrysler	21½	22
20¾	10⅛	.30	Cities Service, Com.	12⅝	12¾
45⅜	21½	2.00	Columbia Gas & Electric	33⅛	32½
16⅝	6¼	.75	Columbia Graphaphone	10	10
12	7	.60	Commonwealth & Southern	8⅝	8½
2¾	1⅜	—	„ „ war.	1¾	1¾
109⅝	82⅛	4.00	Consolidated Gas. of N. Y.	96½	96½
12	5⅛	—	Continental Oil	8⅝	8⅝ ?
5⅞	2⅛	—	Curtiss Wright Co.	3¾	3½
78¾	61½	4.00	Drug Incorporated	71¼	71¼
107	72	4.00	Du Pont de Nemours	89⅞	89½
185¾	122	5.00	Eastman Kodak	151½	148
61	31¾	6% S	Electric Bond & Share	43½	41⅞
38⅜	12¾	2.50	Fox Film "A"	21⅝	19⅝
12	4⅜	—	General Aviation	6⅜	6⅜
54¾	36¼	1.60	General Electric	44½	43½
56	43⅜	3.00	General Foods	48½	48⅞
48	31⅛	3.00	General Motors	38¾	38
84⅛	46⅞	5.00	General Railway Signal	56	55
42½	22	2.50	Gold Dust	30½	30
20⅞	8½	—	Goodrich Rubber	13¾	13¼
52¾	31	3.00	Goodyear Tire & Rubber	42¼	41¼
22⅝	10¼	2.00	Granby	16	15½
26	11	1.00	Hudson Motors,	15⅞	15⅛
62½	27⅞	4.00	International Cement	34¼	34¼
4	1¼	—	International Combu. Eng.	2	2
60½	39¾	2.50	International Harvester	47	46
20⅛	9½	.60	International Nickel	15½	15½
38¾	18¾	2.00	International Tel. & Tel.	34⅛	33⅞
80¾	41⅝	3.00	Johns Manville	57⅛	58
15½	7⅜	—	Kelvinator	11	11½
31½	14⅝	2.00	Kennecott	21⅞	20¼
27¾	18⅜	1.60	Kreuger & Toll	23	22⅞
34⅞	17⅛	1.00	Kroger Grocery	29¼	28½
91	62½	4.00	Liggett & Myers, "B"	80	78¾
63½	36½	3.00	Loew's: Inc	46½	45¼
20⅛	11⅜	—	Lorillard P Co. (com-)	19⅛	19
18½	8⅛	—	Ludlum Steel	12½	12⅛
29¼	15¾	—	Montgomery Ward	21⅞	20⅞
40⅞	21⅛	4.00	Nash Motors	30	28½
14¾	6¼	1.00	Nevada Consolidated Co	Unq.	11⅜
132¼	71¾	8.00	New York Central	94¾	92¼
11	4⅜	—	North American Aviation	9½	9¼
69½	45	3.00	Pacific Lighting	56	55¼
11⅞	5½	.60	Packard Motor	8	7⅝
50¼	20⅛	2.50	Paramount—Publix Corp	27	26⅜
64	42⅜	3.00	Pennsylvania Railroad	49¾	48⅛
8½	5	.20	Pennroad Corporation	5⅞	6¼
16⅝	4¾	—	Phillips Petroleum	8¾	8¾
96½	73½	3.40	Public Service of N. Jersey	85¾	85
27½	12	—	Radio Corporation	20⅛	19½
24½	11¼	—	Radio-Keith Orpheum	15	15¼
53	40⅜	3.00	Reynolds Tobacco "B"	50	51⅜
63¼	44⅞	2.50	Sears Roebuck	57	55⅝
10¼	4¾	—	Shell Union	7⅜	7¾
23¾	10¾	—	Simmons Company	16	15¼
54½	38½	2.00	Southern California Edison	44⅝	44¼
20½	15¼	1.20	Standard Brands	18⅛	18⅛
88⅜	55¾	3.50	Standard Gas & Electric	68½	67¾
52½	30⅝	*1.00	Standard Oil of N. Jersey	40	38¾
26	14⅛	1.60	Standard Oil of New York	18¼	17⅞
36¼	18¼	2.00	Texas Corporation	24	23
55¾	29⅜	3.00	Texas Gulf Sulphur	37¾	37⅛
59	33	3.00	Timken Roller Bearing	38½	33⅛ ?
18	6¾	.40	Trans America	8¼	8
72	44⅛	2.60	Union Carbide & Carbon	53¾	52¾
205⅛	137⅛	10.00	Union Pacific Railway	169½	168
38⅞	22¼	—	United Aircraft & Transp't	32	30¾
31¼	14¼	.75	United Corporation	24⅛	23⅝
20⅜	10⅛	—	U.S. Rubber	16	15½
152⅜	83⅜	7.00	U.S. Steel	102¼	100¾
76¾	23½	—	Vanadium	36⅝	35
20⅜	5	—	Warner Bros. Pictures	8⅜	7⅞
107¾	55⅛	4.00	Westinghouse E. & M.	69⅜	63⅞
65¾	51⅜	2.40	Woolworth	68¾	68⅜
			Call Money	1½%	1½%

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sequence the Jehol priesthood became enormously rich and even politically important.

The Lama Ceremonies

The lama priests have outlasted their imperial benefactors, and there are still more than 3,000 priests and monks in the lamaist and Buddhist temples of Jehol. With drums, flags, gongs, songs and chants imported from Tibet they still perform their daily services of worship. Though the altars and shrines in a great part of China are to-day neglected and dust-covered, those in Jehol never want for burning incense or offerings of palatable foods at the knees of the placid and contemplative idols.

Many of the most impressive lama rites are held upon the flat roofs of the temples, while in the temple courtyards below the priests or pilgrims turn the sacred prayer wheels. On these great revolving drums are engraved or painted Tibetan characters which read, "Onmani Pata mahon," which is a prayer for mercy and for the peace of Nirvana. The more often the drum is turned, the more likely are the high gods to grant the plea of the suppliant.

One unique feature of the religious observances at Jehol is the annual destruction by fire of the "Sacred Talisman." This talisman, a huge double triangular symbol, is made of powdered human bones and wheat flour, baked to a golden brown. It is richly decorated with gold and silver and jewels, and stands so for one year. At the end of the year it is burned in the open fields, with appropriate rites, and a new talisman takes its place.

Nanking has set its face firmly against rituals of this kind, and soon the picturesque religious life of Jehol will have to follow the picturesque life of the old dynasty into the limbo of forgotten things.

America May Bar Russian Products

A recent Washington telegram stated that the United States Treasury Department is seeking an embargo against the importation of all Soviet Russian goods into America. The Treasury contends that the Soviet control of labor under its Five Year Plan meets the definition of indentured labor as contained in the Smoot-Hawley tariff law. Treasury officials contend that in Soviet Russia the Five Year Plan has resulted in the imposition of penalties for failing to perform a given amount of work. Penalties are imposed for violation of the rules laid down under the Five Year Plan. This, according to the Treasury Department, is nothing short of forced labor.

Amtorg, the great Soviet Russian purchasing and marketing agency in the United States, is expected to resort to the courts to protest the contemplated embargo. It is also inevitable that American firms selling goods to the Soviet will enter a protest against the proposed embargo.

Last Batch of Freight Cars Ordered From Japan Delivered at Tsingtao

Fifty freight cars, being the last of a consignment ordered from Japan by the Kiaochow-Tsinan Railway Administration, were landed at Tsingtao on June 29. Last year, the Administration ordered 100 freight cars, the first consignment of which arrived early in the Spring. The present shipment will be immediately placed in service so as to relieve the traffic congestion on the line.

Exchange Circular for the week ending Wednesday, 24th June, 1931.

A Bank Holiday took place on Saturday, the 20th inst., being the Anuual Dragon Festival.

Since our last a very considerable rise in silver has been occasioned by the announcement of Mr. Hoover of a proposal to institute a moratorium for a year of the payment of Reparations, which had an immediate effect all over the World. The market has since been erratic and uncertain.

The National metal exchange in New York have inaugurated a system for trading in Silver futures, which it is hoped may broaden the market tend towards a certain levelling of price.

Silver:—Opened on the 18th inst. at 12 7/8d spot and forward, and G. $0.26 5/8, and closes to-day at 13 1/4 and 13 5/16d. and G. $ 28 1/4 A considerable amount of bear covering has taken place in Bombay and London. Speculators have bought. America inclined to sell.

Exchange:—The official T/T rate on London on the 18th inst. was 1/2d., raised on the 22nd inst. to 1/2 1/4d:, on the 23rd inst. to 1/3 1/4d. subsequently lowered to 1/2 7/8d. where it remains to-day.

The market opened on the 18th inst. at 1/2 1/4d. and G. $.28 7/8 for T/T on London and New York: 4 m/s Cr. 1/2 5/16d. and G. $.29 1/2: Yen Cross rate 49.38: Yen 171: Gold Bars 801.50. After a temporary easiness at 1/16 and 1/8 lower, the market closed steady at former level.

On the 19th inst. the market behaved in an identical manner, and at closing was steady and quiet at 1/2 1/4d. and G. $.28 5/8. Bars opened at 803.50 and finished at 800.60.

On resuming business on the 22nd inst. a very marked change took place on the above-mentioned announcement. Rates at opening were 1/2 7/16d. and G $.29 1/4. Steculators became feverishly anxious to sell, by noon the market had advanced to 1/3d. and G 30 3/8: 4 m/st Cr. 1/3 3/16, and G. $.31, Gold Bars from 791.50 had declined to 752.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 87,701,000 a decrease of Tls. 1,586,000
Chinese and Mexican Dollars $ 167,210,000 an increase of $ 350,000
Estimated value Tls. 208,092,000 as against Tls. 224,680,000 held at this time last year

†	Average rates for May	Thursday June 18	Friday June 19	Saturday June 20	Monday June 22	Tuesday June 23	Wed. June 24
Bank's selling rates		*opening closing*	*opening closing*		*opening closing*	*opening closing*	*opening closing*
T/T on London	1/2 735	1/2	1/2		1/2 1/4	1/3 1/4 1/2 7/8	1/2 7/8
D/Dits ,,		1/2	1/2		1/2 1/4	1/3 1/4 1/2 7/8	1/2 7/8
4 m/s ,,	—	1/2 1/16	1/2 1/16		1/2 5/16	1/3 5/16 1/2 1/16	1/2 1/16
T/T on India	82,390	78 1/2	78 1/2		80	85 3/4 82 1/2	83 1/2
T/T on France	763,260	724	724		737	789 770	770
T/T on N.Y.	29,845	28 3/8	28 1/8		28 7/8	31 30 1/8	30 1/8
T/T on Demand		28 3/8	28 3/8		28 7/8	31 30 1/8	30 1/8
T/T on Hamburg R. M.		119	119		121 1/2	130 127 81 nom.	127
T/T on H'kong	79.430	80 3/8	80 1/8		81	81 1/8	80 1/4 nom.
T/T on Japan	165.750	174	174		171	160 164	164
T/T on Batavia	74.310	70 1/2	70 1/2		71 3/4	76 1/4 74 1/4	74 1/4
T/T on Straits	188 660	198 1/2	198 1/2		195	182 186 3/4	186 1/4
Bk's buying rates 4 m/s B/L. Cred.&D/A	1/3.610	1/2 7/8	1/2 7/8		1/3 1/8	1/4 1/8 1/3 3/4	1/3 1/4
4m/s B/L D/P	—	1/3	1/3		1/3 1/4	1/4 1/4 1/3 7/8	1/3 7/8
6m/s ,, B/L Cred&D/A	1/3.860	1/3 1/8	1/3 1/8		1/3 3/8	1/4 3/8 1/4	1/4
4m/s B/L Cred D/A or D/P	811.600	770	770		785	840 815	815
4m/s N.Y.Lc.	31.670	30 1/2	30 1/8		30 5/8	32 3/4 31 7/8	31 7/8
4m/s ,, Docs.	—	30 3/8	30 3/8		30 7/8	33 32 1/8	32 1/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	June 18	June 19	June 20	June 22	June 23	June 24
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	12 3/8	12 3/8		12 1/2	13 1/16	13 1/4
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$ 265/8 Tls.	G.$ 265/8 Tls.		G.$.26 3/4 Tls.	G.$.28 7/8 Tls.	G.$.28 1/4 Tls.
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)	802.40 Tls.	800.00 Tls.		735.0 Tls.	744.0 Tls.	737.00 Tls.
Shanghai Mexican Dollars per $100	112.50 Tls	112.50 Tls.		112.00 Tls	112.00 Tls	112.00 Tls.
Native Bank Rate of Interest (Call money)	2 5624	72.6125		72.025	72 7125	72 7375
*Closing Price in London for Previous day	2%	2%		2%	2%	2%
**Closing Price in New York for Previous day ...						

HOLIDAY

Bank of England rate of discount	2 1/2%	London on Paris	T/T 124.26
Bank of France rate of discount	2 %	New York on London	T/T 4.86 5/8
London open Market of Dis. 3 m/s	2 3/16%	Bombay on London	T/T 1/5 3/4
,, ,, 4 ,,	2 3/16%	Hongkong on London	T/T
,, ,, 6 ,,	2 3/16%	Kobe on London	T/T 2/0 3/4

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

June 25, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	79 1/2	—
City of Antwerp	5 % Dec. 1, 1958	103 bid	4.80
Argentine Government	6 % May 1, 1960	85	7.25
Canadian National Railway Co.	5 % Oct. 1, 1969	107	4.61
Chile Government ..	6 % Jan. 1, 1961	56 1/4	10.97
City of Vienna	6 % Nov. 1, 1952	89	7.00
City of Yokohama ..	6 % Dec. 1, 1961	100 1/2	5.96
German General Electric (A. E. G.) ..	6 % May 1, 1948	84	7.70
German Central Bank for Agriculture.. ..	6 % Apr. 15, 1938	83 1/2	9.25
Greek Government ..	6 % Feb. 1, 1968	84 1/4	7.18
Japanese Government	6 1/2% Feb. 1, 1954	107 1/2	5.92
Kingdom of Italy.. ..	7 % Dec. 1, 1951	100	7.00
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	43 1/2	—
Nord Railway Co. ..	6 1/2% Oct. 1, 1950	106 1/2	6.02
Norwegian Hydro-Elec. Nitrogen Corp.	5 1/2% Nov. 1, 1957	99 1/2	5 54
Oriental Development Co.	5 1/2% Nov. 1, 1958	96 1/4	5.77
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	107 1/4	6.39
Republic of Costa Rica (Pacific Rwy.)	7 1/2% Sept. 1, 1949	75	10.61
Republic of Finland ..	5 1/2% Feb. 1, 1958	77 1/2	7.45
Republic of Peru . ..	6 % Dec. 1, 1960	20 7/8	—
Rhine Westphalia Electric Power Corp. w.w.	6 % Aug. 1, 1953	81	7.82
Saxon Public Works ..	6 1/2% May 1, 1951	74	9.41
Saxon State Mortgage Institution	6 1/2% Dec. 1, 1946	76	9.49
Toho Electric PowerCo. Notes (Japan)	6 % July 1, 1932	100 1/2	5.48
Tokyo ElectricLightCo. (Japan)..	6 % June 15, 1953	88	7.09
Ujigawa ElectricPower Co. (Japan)	7 % Mar. 15, 1945	102	6.78
U. S. of Brazil	6 1/2% Oct. 1, 1957	52	—
Anaconda Copper Mining Co.	Common Stock	28 7/8	—
Baltimore & Ohio Railroad Co.	Common Stock	61 3/4	—
Belgian National Rway. Pcptg. Pfd. Stock ..	6 % (Am. Shares)	77 3/4	—
Pennsylvania Railroad Co.	Common Stock	50	—
Standard Oil Co. of New York	Common Stock	18	—
United Aircraft and Transport Corp. ..	Common Stock	29 3/8	—
Vacuum Oil Co.	Common Stock	40 3/8	—
Chicago Rapid Transit Co.	6 1/2% July 1, 1944	59	—
CubanDominicanSugar Corp.	7 1/2% Nov. 1, 1944	10	—
Pennsylvania - Dixie Cement Corp. . ..	7 % Cum. Pfd. Stock	12	—
State of Minas Geraes Series "A"	6 1/2% Sept. 1, 1959	30 7/8	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	76	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	69	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	67	—
Chinese Govt. (Crisp Loan)	5 % 1912	43 3/4	—
Shanghai Nanking Railway	5 % 1904/08	44 1/2	—
Shanghai Hangchow Ningpo Railway ..	5 % 1908/38	80	—
Hukuang Railway ..	5 % 1911/1951	25 1/2	—
Tientsin Pukow Railway	5 % 1908/09	23	—

NOTE: The above quotations are received by cable and whilst believed to be correct, are not guaranteed.

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